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**Review of the implementation of the recommendations
and decisions adopted by the General Assembly
at its tenth special session**

United Nations Institute for Disarmament Research**Note by the Secretary-General**

The Secretary-General hereby transmits to the General Assembly the report of the Director of the United Nations Institute for Disarmament Research on the activities of the Institute for the period from August 2010 to July 2011 and the proposed programme of work and estimated budget for 2011 and 2012.

The report was considered and approved for submission to the General Assembly by the Board of Trustees of the Institute at the fifty-fifth session of the Secretary-General's Advisory Board on Disarmament Matters, held from 29 June to 1 July 2011. The Board of Trustees has taken into account the unfavourable financial environment currently faced by the Institute and stressed the need for expanded voluntary contributions by Member States to support the important work of the Institute.

* A/66/50.

Report of the Director of the United Nations Institute for Disarmament Research on the activities of the Institute for the period from August 2010 to July 2011 and the proposed programme of work and budget for 2011-2012

Summary

The present report covers the activities of the United Nations Institute for Disarmament Research (UNIDIR) from August 2010 to July 2011. The report was considered by the Board of Trustees at the fifty-fifth session of the Secretary-General's Advisory Board on Disarmament Matters, held from 29 June to 1 July 2011. It was prepared in compliance with the 1984 General Assembly decision requesting the Director of UNIDIR to report annually on the Institute's activities. The report highlights the programmatic achievements of this period as well as the reform efforts implemented.

With UNIDIR celebrating its thirtieth anniversary in 2010, the Institute has embarked upon institutional reform with the objectives of strengthening its capacity to fulfil its mandate and reinvigorating its resource mobilization strategy. As such, the Institute's programme of work has been restructured into five categories: weapons of mass destruction, weapons of societal disruption, security and society, emerging threats and improving processes and creating synergies.

A subvention from the regular budget is the guarantee of the independence of UNIDIR as an autonomous United Nations institute. By its resolutions 60/89 and 65/87, the General Assembly recommended that the Secretary-General implement the recommendations of the Office of Internal Oversight Services and the Board of Trustees of the Institute, that most core staff costs be funded from the regular budget within existing resources. The Director notes that in recent history the subvention has fallen far short of these costs. By means of the present report, the Board of Trustees transmits to the Secretary-General its recommendation that a subvention be provided from the regular budget for the biennium 2012-2013 (cost-adjusted) while conveying its regret that the subvention could not be increased in the 2012-2013 biennium. At the same time, the Board recommends that efforts continue to be pursued to increase the subvention.

The Director also reports on the status of voluntary funds received from Governments and philanthropic foundations, which cover the vast majority of the Institute's budget and finance all of its operational activities. As voluntary funds have in the past come from only a handful of Member States, UNIDIR has been actively seeking to expand its donor base as part of its resource mobilization strategy. At the same time, owing to the global financial crisis, the Institute continues to see erosion in contributions to its core functions, a trend that is of concern as it threatens to undermine the Institute's financial viability.

The value of UNIDIR to the international community is based on its status as an autonomous institution within the United Nations system, and this independence remains critical to the Institute's ability to effectively fulfil its mandate to serve all States Members of the United Nations.

Contents

	<i>Page</i>
I. Introduction	4
A. Vision statement	4
B. Mission statement	4
II. Management and staffing	5
III. Programme of work	5
A. Weapons of mass destruction	5
B. Weapons of societal disruption	7
C. Security and society	8
D. Emerging threats	9
E. Improving processes and creating synergies	10
F. Francophone strategy	12
G. Consultative and advisory services	12
H. Education	12
I. Outreach and dissemination	13
IV. Finances: voluntary contributions and subvention from the United Nations regular budget ..	13
V. Conclusion	14
Annexes	
I. Income and expenditure for 2009 and 2010 and estimates for 2011 and 2012	15
II. Resource requirements	16
III. Voluntary contributions for 2009 and 2010 and current status for 2011 and 2012	20
IV. Current status of 2011 estimated income from voluntary sources	22
V. Estimated core staff requirements and subvention from the United Nations regular budget for 2011 and 2012	24

I. Introduction

1. The present report covers the activities of UNIDIR from August 2010 to July 2011 and the proposed programme of work and estimated budget for 2011-2012. Of particular importance, 2010 marked the thirtieth anniversary of the Institute. The General Assembly marked the occasion and acknowledged the value of the Institute through resolution 65/87, adopted by consensus on 8 December 2010.

2. For more than a decade, UNIDIR has been at the forefront of efforts to create holistic approaches to disarmament, peace and security, focusing on human security, bridge-building and raising awareness about the need for cross-stakeholder cooperation and buy-in. For example, in the late 1990s, UNIDIR became one of the path-breaking research organizations linking disarmament to human security and development — an approach considered mainstream today. This highlights the Institute's unique role as, simultaneously, a trusted component of the United Nations system and its disarmament machinery, an independent source of information and analysis and an agent of change.

3. As threats have multiplied and the need for more creative methods for addressing them has grown, UNIDIR has increasingly been requested to provide the international community with ideas for resolving security problems, ground-breaking research products, educational activities and services for the diplomatic community. Yet, the global financial crisis has limited contributions from Governments and stretched private sources of funding for disarmament-related action, leading to a seriously degraded fund-raising environment for voluntarily funded organizations such as UNIDIR.

4. To address these circumstances, UNIDIR continues its efforts to restructure its programme of work in keeping with its mandate, to strengthen institutional processes related to project development and results-based budgeting, to implement a new resource mobilization strategy, and to establish relationships with partner organizations within the United Nations system and in academia and civil society. But without sustained support from Member States, the Institute's capacity to maintain its level of support to the United Nations community will be degraded.

A. Vision statement

5. The Institute's driving vision is that of a world in which human security is ensured, where peace prevails over conflict, weapons of mass destruction are eliminated, conventional arms proliferation is avoided, and reduced military spending accompanies global development and prosperity as envisioned in Article 26 of the United Nations Charter. UNIDIR thus seeks to serve as an agent of progressive change towards those goals.

B. Mission statement

6. The mission of the Institute, an autonomous research institute within the United Nations, is to assist the international community in finding and implementing solutions to disarmament and security challenges. Through its research and educational efforts, UNIDIR seeks to forward arms control and disarmament, contribute to conflict prevention and promote the development of a

peaceful and prosperous world. UNIDIR strives to anticipate new security challenges and threats and to elaborate possible methods to address them before they become critical. Finally, UNIDIR serves as a bridge — among United Nations disarmament, security and development organizations and between the United Nations system and the broader security community — to create the necessary synergies to address and mitigate the effects of insecurity at the international, regional and local levels.

II. Management and staffing

7. During the period covered by the present report, the work of UNIDIR was carried out by a staff of 20: 2 directing staff, 3 support staff, 5 substantive programme core staff and 10 project research staff. The Institute also has three Senior Resident Fellows.

8. To give the Institute flexibility to tackle new research areas, researchers are recruited to work on a specific project or outside experts are commissioned. This permits the Institute to draw on a wide variety of backgrounds and disciplines and encourages cooperation with other institutions, experts and scholars. During the reporting period, nine such experts were retained.

III. Programme of work

9. The Institute's work is divided into five thematic areas of action: weapons of mass destruction, weapons of societal disruption, security and society, emerging threats and improving processes and creating synergies. This structure allows UNIDIR to ensure that it is fulfilling its mandate to address a wide range of security issues, provides "entry points" for users of the Institute's research and helps donors to focus on areas of interest.

A. Weapons of mass destruction

10. Nuclear disarmament and non-proliferation remain unachieved goals, more than 40 years after the entry into force of the Treaty on the Non-Proliferation of Nuclear Weapons. Despite the global abhorrence of chemical and biological weapons — as witnessed by the Chemical Weapons Convention and the Biological Weapons Convention — some continue to pursue these weapons. The Institute's mandate places a high priority on work aimed at the elimination of weapons of mass destruction. In the period under review the Institute has striven to support progress towards that goal through the projects outlined below.

1. Multilateral approaches to the nuclear fuel cycle

11. This three-year project, launched in 2008, aims to forward the debate about the potential disarmament and non-proliferation benefits that could result from multilateral nuclear fuel cycle regimes. The project produced three publications in its first two years. The remaining publications, now in production, will examine practical steps undertaken to implement two existing multilateral mechanisms and possible regional multilateral approaches to the nuclear fuel cycle in South and East

Asia, and will conclude with an assessment of the future of multilateral nuclear fuel cycle regimes in light of the developments stemming from the case of Fukushima. In addition to the project's annual seminar hosted in Geneva in March 2011, there will be a concluding event in New York in October 2011.

2. International cooperation mechanisms on nuclear security

12. UNIDIR continues to support international efforts aimed at strengthening nuclear security, which has become one of the top issues on the international security agenda over the past two decades. In 2011, UNIDIR has been promoting its research on this topic with a new project entitled "International cooperation mechanisms on nuclear security". The project seeks to achieve a better understanding among diplomats of the nuclear security agenda, the progress that has been made so far, the scope of the ongoing efforts and the technical and institutional challenges of addressing nuclear security issues.

3. Promoting implementation of the Treaty on the Non-Proliferation of Nuclear Weapons

13. To promote the Treaty's objective of de-alerting and devaluing nuclear weapons in doctrine as a next step in nuclear disarmament, UNIDIR will be developing the project "De-alerting: next step for US-Russian nuclear disarmament?" in 2011.

14. In 2011 and 2012, UNIDIR is implementing, in cooperation with the Geneva Centre for Security Policy and Reaching Critical Will, the project "Promoting implementation of the Nuclear Non-Proliferation Treaty action plan" to provide stakeholders with opportunities to express their views and seek common solutions regarding the 64 actions agreed at the 2010 Review Conference.

4. Tactical nuclear weapons

15. To advance nuclear arms control efforts, UNIDIR organized, in partnership with the Institute for Peace Research and Security Policy of the University of Hamburg, the seminar entitled "Russia's tactical nuclear weapons: posture, politics and arms control", held in February 2011 in Geneva.

5. Disarmament Forum

16. Issue No. 4, 2010, of *Disarmament Forum* considered the question of civil society and nuclear abolition, discussed how the objective of nuclear disarmament could again motivate the public as it has in the past, and looked at what lessons could be drawn from more recent and successful civil society movements.

17. Issue No. 1, 2011, reflected on past and current activities to strengthen the regime of the Biological and Toxin Weapons Convention. Representatives from States parties, the Implementation Support Unit, academia and the private sector voiced their views on what could or should be done to further strengthen the regime.

18. Issue No. 2, 2011, focused on nuclear-weapon-free zones and examined the positive contributions to regional and global security, developments in Africa following the entry into force of its nuclear-weapon-free zone, the prospect of an Arctic nuclear-weapon-free zone and the potential for a zone free of weapons of mass destruction in the Middle East.

6. Future prospects

19. For 2011-2012, UNIDIR is considering ways to promote implementation of the Nuclear Non-Proliferation Treaty action plan agreed to at the 2010 Review Conference. In order to better involve developing countries in nuclear disarmament issues, UNIDIR intends to develop projects relating to Africa and nuclear-weapon-free zones.

B. Weapons of societal disruption

20. The human suffering caused by conventional weapons and warfare is horrific and remains a matter of deep concern to the international community. Conventional weapons use in conflict zones has an immediate impact on local societies. In particular, illicit trafficking in conventional weapons — as recognized by the Programme of Action on Small Arms — has led to severe societal disruption and ineffective governance. UNIDIR has long been at the forefront in aiding United Nations efforts to combat illicit trafficking and supporting initiatives linking armed violence and development, such as the Geneva Declaration and efforts to attain the Millennium Development Goals. Projects for the reporting period include the following.

1. Supporting negotiation of the arms trade treaty

21. Between July 2010 and July 2012, UNIDIR is implementing a project for the European Union to support the arms trade treaty process. The project consists of seven regional seminars, together with other activities.

22. The objectives of the project are to support the preparatory process leading up to the United Nations Conference on the Arms Trade Treaty, ensuring that the process is as inclusive as possible and allows for concrete recommendations to be made on the elements of the future treaty, and to support Member States in developing and improving national and regional expertise to implement effective arms transfer controls so that the future treaty, once in force, can be as effective as possible.

23. UNIDIR also continues to support the process by organizing stand-alone activities. In December 2010, in the framework of a project funded by Finland entitled “An arms trade treaty: let’s talk about it”, the Institute held a seminar in Geneva to discuss the scope of the treaty with a specific focus on small arms and light weapons and ammunition. In April 2011, another event examined the issue of new conventional weapons. In May 2011, in cooperation with the Permanent Mission of France to the United Nations Office at Geneva and the Fondation pour la recherche stratégique, the Institute organized a one-day seminar on arms trade treaty implementation issues. UNIDIR provided technical support to the Economic Community of West African States during its December 2010 meeting devoted to establishing a common position on the arms trade treaty, and to the World Council of Churches during its International Ecumenical Peace Convocation held in Kingston in May 2011.

2. Towards greater efficiency of the Programme of Action

24. UNIDIR has been at the forefront of small arms research since the early 1990s. Since the adoption of the Programme of Action in 2001, the Institute has regularly analysed national implementation reports submitted by Member States. By maintaining such continuity in its research work, UNIDIR intends to support the process leading to the Review Conference in 2012 and to help move the Programme of Action towards greater efficiency as a human security instrument. Two projects were launched in July 2010 to sustain the evaluation of overall implementation of the Programme of Action.

25. The project on implementation challenges and opportunities aims to support the evaluation of Programme of Action implementation, identifying sectors that may present challenges for implementation and suggesting strategic axes of intervention that could reinforce the effectiveness of the Programme of Action overall.

26. The project on inter-agency coordination endeavours to study how the coordination structures involved in the Programme of Action are functioning, identify best practices and understand problems in order to make recommendations to improve implementation.

27. The project on analysis of reports submitted by States is being implemented with partners including the Small Arms Survey. This is a follow-on to the analyses of Member State implementation of the Programme of Action that UNIDIR has been involved in since 2002.

3. Future prospects

28. UNIDIR is developing a project to assess the status of international assistance in implementing the Programme of Action and to explore ways of developing a consistent and quantifiable approach to evaluating international assistance. In addition, the Institute is examining the possibility of a project to address small arms and light weapons in different regions in cooperation with a variety of stakeholders.

C. Security and society

29. UNIDIR was a pioneer in developing thinking about disarmament as a human security issue and in establishing the theme of "disarmament as humanitarian action". There is growing recognition of the need for national, regional and international peace and security institutions to focus on local problems and security needs in order to prevent conflicts and overcome their consequences. Projects for this period are outlined below.

1. Discourse on explosive weapons

30. In January 2010, UNIDIR commenced this project, building on the earlier project "Disarmament as humanitarian action" and the findings of the project "The road from Oslo", on cluster munitions. Practitioners in the field of arms control/disarmament and humanitarian action considered how to enhance the protection of civilians from explosive weapons. Three symposiums were held in 2010. Background papers and summary reports, as well as downloadable content, are available on the Institute's website and the project's website at <http://explosiveweapons.info/>. The project is now completed.

2. Security Needs Assessment Protocol, second phase

31. From 2005 to 2010, the Security Needs Assessment Protocol project worked to improve the effectiveness of field-level programming on security and peace. It developed methods for understanding local social systems, so that agencies could better respond to local needs. The project built new processes to help agencies make use of local knowledge when designing programmes and policies. This project is now completed.

32. Drawing on the approach developed in the Security Needs Assessment Protocol project, a new project has been funded to conduct research and development for a new evidence-based reintegration tool for the Inter-agency Working Group on Disarmament, Demobilization and Reintegration.

3. Future prospects

33. To take forward the ground-breaking work of the "Discourse on explosive weapons" project, UNIDIR is developing the "Norms on explosive weapons" project, which seeks to clarify the conditions under which explosive weapons might be used in populated areas, as called for by the Secretary-General in his 2010 report to the Security Council on the protection of civilians in armed conflict (S/2010/579).

34. Building on its past work on small arms and light weapons, gender and peacebuilding, UNIDIR intends to work more intensively in 2012 on issues related to other conventional arms, such as man-portable air defence systems, as well as armed violence, development and attainment of the Millennium Development Goals.

D. Emerging threats

35. One of the Institute's strengths has been its role as an "early warning system" for trends that could emerge as serious threats to international peace and security. Raising awareness of emerging threats at an early stage is critical, as the gears of international diplomacy turn slowly. Projects for this period include the following.

1. Cybersecurity

36. There has been increasing concern throughout the international community on issues surrounding cybersecurity. UNIDIR has long been engaged in elucidating these issues, starting with a conference on the subject in 1999.

37. Pursuant to General Assembly resolution 63/37, a Group of Governmental Experts was established in 2010 to study developments in the field of information and telecommunications in the context of international security. The Group of Governmental Experts began its work with UNIDIR acting as consultant to synthesize the discussion of the experts and draft the Group's report. This final report was adopted by the Group by consensus and transmitted to the Secretary-General in 2010 (A/65/201). This project is now completed.

38. In February 2011, UNIDIR started the project "Perspectives on cyberwar: legal frameworks and transparency and confidence-building" with the aim of initiating dialogue about potential normative or legal constraints on cyberconflicts, possible regimes for preventing such conflicts and means of ensuring against unacceptable effects of cyberconflict.

2. Space security

39. UNIDIR has been involved in research and awareness-raising on threats to the peaceful use of space since the mid-1980s, and in 2002 held the first of its annual space security conferences. The Director of UNIDIR is a founding member of the World Economic Forum's Global Agenda Council on space security, and UNIDIR has been active in supporting the Conference on Disarmament in efforts to address its agenda item on prevention of an arms race in outer space.

40. The tenth Outer Space Conference, entitled "Space Security 2011", was held in Geneva on 4 and 5 April 2011. The conference report is in production and will be submitted to the Conference on Disarmament by the Government of Canada in accordance with previous practice.

3. Cyberspace and outer space

41. UNIDIR, in collaboration with Secure World Foundation, held a brainstorming session on cyber- and outer space resources in conflict on 6 April 2011 at the Palais des Nations with the attendance of diplomats, private sector experts and representatives from military and international organizations. The purpose of the event was to discuss some of the potential linkages and similarities between the outer space and cyberspace domains and to determine whether there may be benefit gained from collaboration between the two fields.

4. Future prospects

42. UNIDIR is working with the Center for Strategic and International Studies on a project to develop a cybersecurity reference book, and discussing with the International Organization of la Francophonie the possibility of joint projects.

43. UNIDIR is exploring a number of cooperative activities on outer space with related United Nations bodies, including the Committee for the Peaceful Uses of Outer Space and interested think tanks and charitable foundations. In October 2011, UNIDIR will launch an effort to further develop its programme of work for outer space and cyberspace security in conjunction with the Secure World Foundation.

44. UNIDIR will continue with its highly successful conference series on space security in 2012.

E. Improving processes and creating synergies

45. Establishing multilateral and regional disarmament instruments, whether through General Assembly or Security Council resolutions, regional regimes or multilateral treaties, is only the first step in what is often a long and complicated road to results. The Institute's status gives it a unique position from which to assess the implementation and results of disarmament instruments, analyse the weaknesses and recommend improved processes and better methods of stakeholder cooperation and collaboration. Projects for this period include the following.

1. Security Council resolution 1540 (2004) and the role of regional organizations

46. The second phase of the UNIDIR-Monterey Institute of International Studies project on the role of regional organizations in implementing Security Council

resolution 1540 (2004) focused on the dissemination of findings and recommendations from the first phase, as published in *Implementing Resolution 1540: the Role of Regional Organizations* in 2008. This project is now completed.

2. Fixing the broken disarmament machinery

47. Building on the Institute's work in 2009 on the Conference on Disarmament, this project sought to diagnose problems with the disarmament machinery of the United Nations and to suggest possible solutions. In October 2010, UNIDIR organized an informal workshop gathering senior experts involved in various aspects of the disarmament machinery. A background paper entitled "Disarmament machinery: a fresh approach" was distributed at the event, and is available for download from the Institute's website. The project is now completed.

3. Addressing illicit brokering activities

48. UNIDIR successfully conducted the project entitled "Addressing illicit brokering activities: issues and control". During the reporting period, the project activities included the final seminar, entitled "Combating illicit brokering of weapons of mass destruction-related materials: building effective responses", held in October 2010 in New York. This project is now completed.

49. As a follow-on to a previous seminar organized in partnership with the Geneva Centre for Security Policy and the Friedrich Ebert Stiftung, a seminar entitled "Reinforcing disarmament: combating illicit trade in weapons and materials: regional challenges" was held in April 2011 in Geneva. This event brought together academics, researchers, Government officials, military officers and representatives from civil society from Africa, Latin America and Europe to discuss ways of acquiring and managing reliable information, the need for effective legal and law-enforcement systems and the challenges of implementing and operationalizing existing legal and political instruments.

4. The Conference on Disarmament: breaking the ice

50. UNIDIR has been organizing a series of thematic discussions and short papers to examine the myths and realities of the Conference on Disarmament — as well as the challenges facing it — with the aim to increase understanding of the history, processes and issue areas of this unique negotiating forum. All of the seminars under this project have been extremely well attended. The project is now completed.

5. Disarmament Forum

51. Issue No. 3, 2010, explored the crucial role of science and technology, as well as scientists, in ensuring effective verification and examined specific regimes, including conventional arms embargoes and the Biological and Toxin Weapons Convention. It discussed how future agreements on outer space and a nuclear weapons convention could be verified, as well as the growing role of civil society in ensuring compliance with international arms control agreements.

6. Future prospects

52. UNIDIR is continuing to develop its work on the Programme of Action, in particular looking at building synergies among stakeholders.

F. Francophone strategy

53. UNIDIR continues to discuss partnership opportunities with the International Organization of la Francophonie. The Institute is convinced that international peace and security require better adaptability of international action to national and regional specificities. One of the best ways to help this process is to disseminate knowledge in the working languages of the targeted countries. The Francophone strategy is a step in the continuing implementation of the Institute's mandate to serve all Member States by broadening our audience through linguistic diversification. The Institute has started a capacity-building programme in Geneva in collaboration with the International Organization of la Francophonie and organized a seminar in April on the Programme of Action and the arms trade treaty. Other activities will be organized around the second meeting of States parties on cluster munitions and other relevant disarmament topics.

G. Consultative and advisory services

54. One significant indicator of the impact of the Institute's work and the reputation of the Institute is the number of requests for consultative or advisory services. The staff members of the Institute are called upon regularly to advise, consult with or brief interested parties. These activities, undertaken in addition to the Institute's programme of work, enrich the efforts of other organizations, educate stakeholders, strengthen collaboration and enhance the dissemination of research findings. The requests come from within the United Nations system; from Member States; from international, multilateral and regional organizations; and from research institutes, academic bodies, the media and civil society groups.

H. Education

55. UNIDIR continues to attach utmost importance to disarmament and non-proliferation education and training, and thus the implementation of the relevant recommendations of the 2003 report of the Secretary-General on this topic (A/57/124). In 2010, UNIDIR signed a memorandum of understanding with the University for Peace to support ongoing cooperation and joint project development. UNIDIR staff continue to participate as lecturers for University for Peace courses in Geneva. In addition, UNIDIR has a close working relationship with the Geneva Centre for Security Policy in planning and participating in educational briefings and conferences. During the period covered by the present report, UNIDIR hosted numerous student groups including the United Nations Disarmament Fellows, as well as a number of interns attached to various projects.

56. UNIDIR is a founding member of the Geneva Forum, along with the Quaker United Nations Office and the Centre on Conflict, Development and Peacebuilding of the Graduate Institute of International and Development Studies. The Geneva Forum hosts educational briefings for Geneva-based diplomats.

I. Outreach and dissemination

57. UNIDIR continues to implement its outreach and dissemination strategy, with emphasis on developing the Institute's "new media" presence, expanding the *UNIDIR Resources* electronic document series and laying the groundwork for output in languages other than English. During the reporting period, UNIDIR published 26 electronic publications on a wide variety of issues, saw the continued development of several successful blogs aiding project outreach, and further incorporated multimedia into its website.

58. UNIDIR continues to expand its networks and linkages with other institutions in order to increase the impact of its work. Some of our partners are the Stockholm International Peace Research Institute, the Fondation pour la recherche stratégique, the Institut français des relations internationales, the Secure World Foundation, the Simons Foundation and the Center for Strategic and International Studies.

IV. Finances: voluntary contributions and subvention from the United Nations regular budget

59. The Institute's activities are sustained by voluntary contributions from a handful of Member States and organizations, and a subvention from the regular budget.

60. In accordance with article VII.1 of the Institute's statute, voluntary contributions from States and public and private organizations are the principal source of financing of the Institute (providing more than 90 per cent of funds in recent years). As part of its fund-raising strategy, UNIDIR has focused on expanding its donor base. For example, the Institute received first-time contributions in 2010 from Estonia, Georgia, Hungary, Pakistan and the United Arab Emirates, and in 2011 from Iraq. As for public organizations, UNIDIR received first-time contributions in 2011 from the Taipei Economic and Cultural Delegation and the Foundation for International Relations and Development Studies. That said, in 2010, only 21 States Members of the United Nations contributed to the Institute's programme of work.

61. During the period covered by the present report, UNIDIR has been developing a fund-raising approach based on the five categories of its programme of work, to be pursued in parallel with fund-raising on a project-by-project basis. However, given the ongoing global financial crisis, the level of voluntary contributions to the Institute has continued to drop, with little prospect for a recovery in the near future. In particular, support from key donor States — specifically support needed to sustain core staff — is projected to decrease by more than 50 per cent during 2011. At the same time, the global pool of funding for specific projects in the field of arms control and disarmament continues to shrink. If these trends persist, it will negatively affect the stability of the Institute and the ability to retain staff. Thus, UNIDIR is considering how to undertake a further reassessment of its business model.

62. Regarding the subvention, article VII.2 of the Institute's statute establishes that the subvention is to be used towards meeting the costs of the Director and the core staff of the Institute. However, for many years the subvention has covered, at most,

the costs of only one core staff member (the Director) of the total core staff of 10 (see annex V to the present report).

63. In recent years, support for the maintenance and increase of the regular budget subvention has manifested on numerous occasions. In 2004, the Secretary-General considered the continuing need for a subvention for UNIDIR and concluded that the regular budget subvention was "vital for ensuring the independent and continuous nature of the Institute's normal functioning" (see A/C.5/59/3/Add.1). In 2005, the General Assembly adopted resolution 60/89 recommending that the Secretary-General implement the recommendations of the Office of Internal Oversight Services and the decisions of the UNIDIR Board of Trustees that the costs of the core staff of the Institute be funded from the regular budget of the United Nations, and that ways to increase funding within existing resources continue to be sought. In 2010, the Assembly repeated that call by its resolution 65/87. Support has also been expressed by individual Member States for greater regular budget support for the core staff of the Institute. However, implementing these recommendations has thus far proven impossible, owing in part to recent cuts to the United Nations regular budget and in part to the need to find offsets for any increase within the existing disarmament budget.

64. In November 2009, the Advisory Committee on Administrative and Budgetary Questions requested a subvention for UNIDIR for the 2010-2011 biennium. An amount of \$558,200 was approved by the General Assembly in resolution 64/245.

65. The Board of Trustees continues to attach the utmost importance to the granting of a subvention to the Institute from the financial perspective, as well as that of safeguarding the autonomy and independence of the Institute and the Director. Continuing support for the subvention's increase and continuing cost adjustment are essential to facilitate growth in voluntary contributions to the Institute. By means of the present report, the Board of Trustees transmits to the Secretary-General its recommendation that a subvention be provided from the regular budget for the biennium 2012-2013 (cost-adjusted), while conveying its regret that the subvention could not be increased into the 2012-2013 biennium. At the same time, the Board recommends that efforts to increase the subvention and have it regularly cost-adjusted continue to be pursued so that, at a minimum, the costs of the Director and the majority of the core staff are covered.

66. The budget for 2011 is estimated at \$3,753,600 and for 2012 at \$2,905,500 (see annex II to the present report). However, the 2012 figures include only projects that are currently confirmed; this estimate will increase as the Institute receives pledges for projects now under development.

V. Conclusion

67. Despite the difficult economic and security environment facing the international community, there remain many opportunities to advance disarmament, peace and security. Indeed, the period from 2011 to 2015 will be extremely active for the disarmament community. Building on its 30 years of experience and its network, UNIDIR — as a valued independent voice — will continue to pursue its mandate to support efforts to make progress towards a peaceful and prosperous world.

Annex I

Income and expenditure for 2009 and 2010 and estimates for 2011 and 2012

(In thousands of United States dollars)

Item	2009	2010	2011	2012
			(estimates)	(estimates)
A. Funds available at the beginning of the year	1 259.5	1 043.1 ^a	1 634.0 ^b	1 229.3 ^c
B. Income:				
Voluntary contributions and public donations	2 399.4 ^d	3 008.1 ^e	2 747.0 ^f	1 355.9 ^g
Subvention from the United Nations regular budget	315.1	265.5	312.3	288.9
Other inter-organization contributions	10.0 ^h	42.5 ^e	26.3 ^f	27.5 ^g
Interest income	37.6	32.0	30.0	10.0
Miscellaneous income	16.7	0.0	0.0	0.0
Allocation from other funds	0.0	27.5	0.0	0.0
Total income	2 778.8	3 375.6	3 115.6	1 682.3
C. Prior-period adjustments	19.3	0.0	0.0	0.0
D. Refund to donors	0.0	0.0	-97.3 ^h	0.0
E. Prior-period obligations	0.0	69.5	0.0	0.0
F. Total funds available	4 057.6	4 488.2	4 652.3	2 911.6
G. Expenditure	3 014.5	2 854.2	3 423.0	2 613.7
H. Fund balance at the end of the year	1 043.1 ^a	1 634.0 ^b	1 229.3 ^c	297.9 ⁱ

^a Includes \$329,200 required as operating cash reserve for 2009.^b Includes \$322,700 required as operating cash reserve for 2010.^c Includes \$330,600 required as operating cash reserve for 2011.^d See annex III for details of UNIDIR 2009 income from voluntary sources.^e See annex III for details of UNIDIR 2010 income from voluntary sources.^f See annex III for details of UNIDIR 2011 estimated income from voluntary sources.^g See annex III for details of UNIDIR 2012 estimated income from voluntary sources. The estimates for 2012 contributions are conservative. Experience shows that they will be much higher but this cannot, of course, be guaranteed at this stage.^h Refund to the European Commission for the project entitled *Support for EU activities in order to promote among third countries the process leading towards an Arms Trade Treaty*.ⁱ Includes \$291,800 required as operating cash reserve for 2012.

Annex II

Resource requirements

(In thousands of United States dollars)

<i>Resource requirements</i>	<i>2009 (1)</i>	<i>2010 (2)</i>	<i>2011^a (estimate) (3)</i>	<i>2012^a (estimate) (4)</i>	<i>Increase/ decrease (4-3)</i>
A. Direct administrative costs					
Salaries and related costs	750.4	646.2	823.6	823.6	0.0
General temporary assistance	0.0	137.2	0.0	0.0	0.0
Temporary assistance for meetings	17.5	15.1	22.7	20.5	-2.2
Consultants' fees and travel	61.8	70.9	101.6	112.2	10.6
Ad hoc expert groups	247.5	170.8	521.0	166.0	-355.0
Other personnel related costs	1 479.0	1 404.8	1 317.4	1 180.5	-136.9
Official travel of staff	163.8	123.4	126.2	62.5	-63.7
Other external printing	0.2	0.0	3.1	1.7	-1.4
Other specialized training	4.1	0.5	4.0	4.0	0.0
Contractual services	113.0	86.0	295.2	80.3	-214.9
Hospitality	18.9	11.3	17.4	12.7	-4.7
Premises: rental and maintenance	1.5	3.3	9.9	6.2	-3.7
Operating expenses	7.0	10.5	7.4	7.4	0.0
Communications	6.1	18.5	17.1	17.1	0.0
Supplies and materials and furniture and equipment	26.1	18.2	8.3	8.3	0.0
Total A	2 896.9	2 716.7	3 274.9	2 503.0	-771.9
B. Programme support costs (5 per cent of total A, less United Nations subvention)	117.6	137.5	148.1	110.7	-37.4
Total expenditure (Total A + B)	3 014.5	2 854.2	3 423.0	2 613.7	-809.3
C. Operating cash reserve (15 per cent of expenditure on contributions other than from the European Union, less United Nations subvention, and 5 per cent on contributions from the European Union)	329.2	322.7	330.6	291.8	-38.8
Grand total A + B + C	3 343.7	3 176.9	3 753.6	2 905.5	-848.1

^a These figures may be increased upon the confirmation of new funding proposals.**A. Direct programme and administrative costs for 2012**

1. Pending approval of new fund-raising submissions, the provisions made for research programmes and administrative costs are minimal. However, they will be adjusted as funding comes forward.

2. **Salaries and related staff costs: \$823,600.** In 2012, the regular staff will consist of the Director (D-2), the Deputy Director (D-1) and two General Service staff. The total estimated requirements under this heading, shown in the table below, are based on the standard salary costs applicable to Geneva for 2011 (version 10). These estimated requirements do not reflect any change in relation to the 2011 revised requirements.

(In thousands of United States dollars)

<i>Staffing requirement</i>	<i>Total net salaries</i>	<i>Common staff costs</i>	<i>Representation allowance</i>	<i>Total cost</i>
1 D-2	210.2	75.7	0.6	286.5
1 D-1	193.1	69.6	—	131.5
2 General Service (Other level)	201.6	72.6	—	262.9
Total				823.6

3. **Temporary assistance for meetings: \$20,500.** This provision will be needed to cover temporary assistance for UNIDIR meetings in 2012. It includes \$10,000 for interpretation costs for the 2012 Outer Space Conference, \$8,500 for interpretation costs for the regional seminars for the project on an arms trade treaty and \$2,000 for UNIDIR lunchtime conference servicing. It represents a \$2,200 decrease over the 2011 revised budget estimates.

4. **Consultants' fees and travel: \$112,200.** This provision will be needed to cover the hiring of individual contractors for translation work (\$10,000), the travel of a consultant for the project on explosive weapons norms (\$3,000), consultants' fees and travel for the Group of Governmental Experts on Developments in the Field of Information and Telecommunications in the Context of International Security (\$15,000), \$80,000 for consultants' fees for the project on the United Nations Programme of Action on Small Arms and \$4,200 for the project on an arms trade treaty. This entails an increase of \$10,600 over the 2011 estimated requirements, mainly due to the project on the United Nations Programme of Action on Small Arms, which will require the hiring of a consultant for a period of 12 months.

5. **Ad hoc expert groups: \$166,000.** This provision reflects a decrease of \$355,000 over the 2011 revised estimates owing to the fact that most regional seminars for the project on an arms trade treaty will be held during the year 2011. These funds will be needed to cover the travel expenses of experts participating in lunchtime seminars on an arms trade treaty (\$6,000), the meetings on weapons of mass destruction (\$5,000), the project on the United Nations Programme of Action on Small Arms (\$2,000) and the last regional seminar and final meeting of the project on an arms trade treaty (\$153,000).

6. **Other personnel-related costs: \$1,180,500.** This provision will be needed to extend the contracts of the in-house core staff and the staff working on current projects. It reflects a decrease of \$136,900 over the 2011 revised requirements, as the project on an arms trade treaty is ending in July 2012. As new projects are funded and established, this provision may increase.

7. **Official travel of staff: \$62,300.** The funds will be used for project-related travel, i.e., explosive weapons norms (\$8,600), arms trade treaty (\$15,200), work on weapons of mass destruction (\$5,000), Group of Governmental Experts (\$4,000) and United Nations Programme of Action on Small Arms (\$11,500), as well as non-project-related travel, including travel for fund-raising purposes (\$18,200). The requirements for staff travel show a decrease of \$63,700 over the 2011 revised estimates because several projects are ending in 2011. However, the provision under this heading may increase as new projects are funded.

8. **Other external printing: \$1,700.** This provision will be needed to purchase photos for the publications' cover pages. It reflects a decrease of \$1,400 over the 2011 revised budget requirements but may increase when new projects are funded.

9. **Other specialized training: \$4,000.** This provision, reflecting no change over the 2011 revised budget requirements, will be needed for continuous learning activities.

10. **Contractual services: \$80,300.** This provision, reflecting a decrease of \$214,900 over the 2011 budget requirement, will be used mainly to contract hotel accommodation for the last regional seminar of the arms trade treaty project (\$76,300) and to extend the existing contractual services for the website (\$4,000).

11. **Hospitality: \$12,700.** The estimated requirements for hospitality in 2012 reflect a decrease of \$4,700 over the 2011 revised estimates, resulting from the ending of the project on an arms trade treaty in July 2012.

12. **Rental and maintenance of premises: \$6,200.** This provision, reflecting a decrease of \$3,700 over the 2011 estimates, will be needed to cover the rental of conference rooms for the explosive weapons norms projects, the work on weapons of mass destruction, the project on an arms trade treaty and the United Nations Programme of Action on Small Arms.

13. **Operating expenses: \$7,400.** This provision, reflecting no change over the 2011 revised estimates, will be used to cover the rental of office equipment (\$2,000), UNDP country office programme support costs (\$2,400), rental of conference service equipment (\$1,000) and bank charges (\$2,000).

14. **Communication: \$17,100.** This provision will be needed to reimburse the United Nations Office at Geneva for fixed and mobile phone usage costs and to pay traffic-related costs and the rental of cell phones for field missions. It represents no change in relation to the 2011 revised estimates.

15. **Supplies and materials and furniture and equipment: \$8,300.** This provision, reflecting no change over the 2011 revised requirements, will be needed to purchase office equipment (\$4,000), stationery and office supplies (\$1,000), library books (\$2,000) and subscriptions (\$1,300).

B. Programme support costs

16. A provision of \$110,700, representing 5 per cent of the total estimated expenditure less the amount of the United Nations regular budget subvention of \$288,900, will be needed for programme support costs in 2012.

C. Operating cash reserve

17. In compliance with administrative instruction ST/AI/284, an amount of \$291,800 will be kept as an operating cash reserve. It represents 15 per cent of the total 2012 estimated expenditure funded from extrabudgetary resources, with the exception of the expenditure funded by the European Commission, for which a 5 per cent rate is applied.

Annex III

Voluntary contributions for 2009 and 2010 and current status for 2011 and 2012

(United States dollars)

<i>Voluntary contributions</i>	<i>2009</i>	<i>2010</i>	<i>2011^a</i>	<i>2012^a</i>
A. Governmental contributions				
Australia	112 914	133 753	130 000	252 000
Austria	18 576	0	10 000	0
Canada	35 344	0	9 969	10 000
China	18 000	19 985	19 985	20 000
Estonia	0	1 000	0	0
Finland	58 140	0	52 562	50 000
France	293 288	315 330	320 000	160 000
Georgia	0	2 000	0	0
Germany	0	39 720	173 620	0
Holy See	10 000	0	0	0
Hungary	999	971	19 711	20 000
India	0	9 982	10 000	10 000
Iraq	0	4 982	5 000	5 000
Ireland	0	33 624	13 089	15 000
Israel	13 206	10 211 ^b	10 000	10 000
Luxembourg	9 843	40 529	10 000	10 000
Mexico	5 000	0	3 000	3 000
Netherlands	326 301	358 704	0	0
New Zealand	0	0	10 000	0
Norway	179 675	680 316 ^c	560 000	300 000
Pakistan	0	4 907	5 000	5 000
Republic of Korea	30 000	30 000	30 000	30 000
Russian Federation	100 000	100 000	100 000	100 000
Sweden	86 155	37 375	0	0
Switzerland	93 340	87 429	119 176	70 000
Turkey	5 000	3 000	3 000	3 000
United Arab Emirates	0	50 000	0	0
United Kingdom of Great Britain and Northern Ireland	109 847	105 306	0	0
United States of America	0	20 000	20 000	20 000
Total governmental contributions	1 505 628	2 089 124	1 634 112	1 093 000

<i>Voluntary contributions</i>	<i>2009</i>	<i>2010</i>	<i>2011^a</i>	<i>2011^a</i>
B. Public donations				
Cultural and Economic Delegation of Taipei	0	0	40 000	0
European Commission	869 535	836 769	961 118	183 381
Foundation for International Relations and Development Studies	0	0	16 269	0
Fondation pour la recherche stratégique	0	0	742	0
Marie Curie Foundation	0	62 067	40 286	0
Northeastern University	0	2 500	3 500	3 500
Secure World Foundation	15 000	0	30 000	30 000
Simons Foundation	9 047	14 985	20 000	45 000
University of Bath	0	1 858	0	0
University for Peace	200	782	1 000	1 000
Total public donations	893 782	918 961	1 112 915	262 881
Total voluntary contributions (A + B)	2 399 410	3 008 085	2 747 027	1 355 881
C. Inter-organization				
Office for Disarmament Affairs	10 000	42 500	26 250	27 500
Total inter-organization	10 000	42 500	26 250	27 500
Grand total (A + B + C)	2 409 410	3 050 585	2 773 277	1 383 381

^a These figures will be increased upon the confirmation of new funding proposals.

^b Contribution from Israel received in 2009 but earmarked for 2010.

^c Includes contribution from Norway of \$437,453.52 received in 2009 but earmarked for 2010.

Annex IV

Current status of 2011 estimated income from voluntary sources

(United States dollars)

Donor	Total amount of contributions	To be used for	
		Special project	Other purposes (including administrative costs)
A. Governmental contributions			
Australia ^a	130 000	108 333	21 667
Austria ^b	10 000	8 333	1 667
Canada ^c	9 969	8 308	1 661
China ^e	19 985	16 654	3 331
Finland ^d	52 562	43 802	8 760
France ^c	320 000	266 667	53 333
Germany ^f	173 620	144 683	28 937
Hungary	19 711	16 426	3 285
India	10 000	8 333	1 667
Iraq	5 000	4 167	833
Ireland	13 089	10 908	2 181
Israel	10 000	8 333	1 667
Luxembourg	10 000	8 333	1 667
Mexico	3 000	2 500	500
New Zealand ^b	10 000	8 333	1 667
Norway ^b	560 000	466 667	93 333
Pakistan	5 000	4 167	833
Republic of Korea ^f	30 000	25 000	5 000
Russian Federation	100 000	83 333	16 667
Switzerland ^f	119 176	99 313	19 863
Turkey	3 000	2 500	500
United States of America ^c	20 000	16 667	3 333
Total governmental contributions	1 634 112	1 361 760	272 352
B. Public donations			
Cultural and Economic Delegation of Taipei ^b	40 000	33 333	6 667
European Commission ^b	961 118	800 932	160 186
Foundation for International Relations and Development Studies ^f	16 269	13 557	2 712
Fondation pour la recherche stratégique	742	0	742
Marie Curie Foundation ^m	40 286	33 571	6 715
Northeastern University	3 500	2 917	583

<i>Donor</i>	<i>Total amount of contributions</i>	<i>To be used for</i>	
		<i>Special project</i>	<i>Other purposes (including administrative costs)</i>
Secure World Foundation ^a	30 000	25 000	5 000
Simons Foundation ^b	20 000	16 667	3 333
University for Peace	1 000	833	167
Total public donations	1 112 915	926 810	186 105
Total voluntary contributions (A + B)	2 747 027	2 288 570	458 457
C. Inter-organization			
Office for Disarmament Affairs ^c	26 250	21 875	4 375
Total inter-organization	26 250	21 875	4 375
Grand total (A + B + C)	2 773 277	2 310 445	462 832

^a For work on the Programme of Action on Small Arms.

^b For work on multilateral approaches to the nuclear fuel cycle.

^c For the 2011 Outer Space Conference.

^d For work on an arms trade treaty.

^e For the Deputy Director's post.

^f For work on cybersecurity (\$163,240) and on the Programme of Action on Small Arms (\$10,000).

^g For work on de-alerting.

^h \$150,000 for core funding, \$260,000 for explosive weapons norms and \$150,000 for work on weapons of mass destruction.

ⁱ For work on nuclear security.

^j \$79,176 for core funding and \$40,000 for work on de-alerting.

^k For support of European Union activities to promote among third countries the process leading towards an arms trade treaty.

^l For work on the Programme of Action on Small Arms.

^m For European Union and United Nations planning for crisis management and peacebuilding, promoting best practice and inter-institutional learning.

ⁿ To develop a programme on security in outer space.

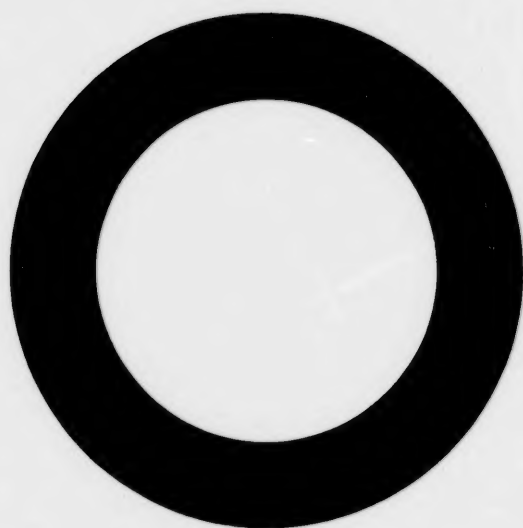
^o For editing a publication on biological weapons.

Annex V

Estimated core staff requirements and subvention from the United Nations regular budget for 2011 and 2012

(In thousands of United States dollars)

<i>Core staff</i>	<i>2011</i>	<i>2012</i>
Director	286.5	286.5
Deputy Director	262.9	262.9
Two General Service staff	274.2	274.2
Projects and Publications Manager	160.3	162.9
Project Development and Fund-raising Assistant	111.1	113.1
Editor, Publications	111.1	113.1
Computer System Manager	77.8	80.8
French translator for <i>Disarmament Forum</i>	111.1	113.1
Editor, <i>Disarmament Forum</i>	55.6	56.6
Subtotal	1 450.6	1 463.2
Programme support costs	56.9	58.7
Total core staff costs	1 507.5	1 521.9
Subvention from the regular budget	312.3	288.9
Covered by voluntary contributions and public donations	1 195.2	1 233.0
Percentage covered by the regular budget subvention	20.72	18.98





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Social development

Implementation of the outcome of the World Summit for Social Development and of the twenty-fourth special session of the General Assembly

Report of the Secretary-General

Summary

The present report provides an assessment of the social impact of the global crisis, taking into account the discussion held during the forty-ninth session of the Commission for Social Development. The report also provides an overview of the key initiatives and responses undertaken by Member States and the United Nations system to implement the outcome of the World Summit for Social Development and of the twenty-fourth special session of the General Assembly, in the face of the global crisis. The report concludes with a set of recommendations for the consideration of the General Assembly.

* A/66/50.

Contents

	<i>Page</i>
Introduction	3
I. Social impact of the global crisis	3
II. Contribution of the Commission for Social Development at its forty-ninth session	9
A. Poverty eradication	9
B. Productive employment and decent work for all	12
C. Social integration	13
III. Implementation in a time of crisis	14
A. National policy responses	14
B. United Nations responses	16
IV. Recommendations	17

Introduction

1. The present report is submitted in response to General Assembly resolution 65/185, in which the Assembly requested the Secretary-General to submit, at its sixty-sixth session, a comprehensive study on the impact of the converging world crises on social development, in particular for the achievement of poverty eradication, mindful of the discussion held during the forty-ninth session of the Commission for Social Development. The report first provides an assessment of the social impact of the global crisis, followed by a review of the contribution of the Commission for Social Development at its forty-ninth session to the implementation of the outcome of the World Summit for Social Development and of the twenty-fourth special session of the General Assembly. The report then examines implementation at the national level, and the actions and initiatives undertaken by the United Nations system. The report concludes with a set of recommendations for the consideration of the General Assembly.

I. Social impact of the global crisis¹

2. The global financial and economic crisis has proven to be a major impediment to the implementation of international social development goals, including the Millennium Development Goals, and the goals of the World Summit for Social Development. Major setbacks have been registered in poverty, employment, hunger, education, health and social integration. At the same time, recovery has proceeded slowly, unevenly and with uncertainty. Recovery in employment and other social indicators is lagging behind output recovery, highlighting the disconnect between economic growth and social development that must be bridged by effective policy at the national and international levels if development goals are to be realized. The growing trend towards fiscal consolidation and austerity in developed countries further undermines the potential for recovery from the social crisis.²

Economic growth and poverty

3. Prior to the crisis, poverty reduction strategies were being successfully implemented, particularly in middle-income and high-growth countries. The number of people living below the \$1.25-a-day poverty line was projected to be 883 million in 2015, down from 1.4 billion in 2005 and 1.8 billion in 1990.³ While the incidence of poverty has declined across all regions, the uneven global progress suggests that the implementation of poverty reduction strategies had not been successful in many contexts, particularly among the poorest countries.

4. The crisis presented an additional significant hurdle to poverty reduction. Nevertheless, based on current projections, the fight against global poverty is progressing, albeit unevenly and more slowly than prior to the crisis. The world remains on track to reduce the number of people living in poverty by half. As a

¹ For a comprehensive assessment of the impact of the crisis on social development, see *The Global Social Crisis: Report on the World Social Situation 2011* (United Nations publication, Sales No. E.10.IV.12).

² *The Global Social Crisis*.

³ *Rethinking Poverty: Report on the World Social Situation 2010* (United Nations publication, Sales No. E.09.IV.10).

result of slowed economic growth in rich and poor countries alike, between 47 million and 84 million additional people remained poor or fell into poverty in 2009 than would have been the case without the crisis.⁴ The period from late in 2009 to 2010 was one of uneven and fragile recovery, aided in large part by the unprecedented stimulus measures taken by many countries. The recovery period was also fuelled by output growth in developing countries and economies in transition. Despite economic growth recovery during this period, employment continues to lag behind in many countries, leaving economies vulnerable to future shocks and more people at risk of falling into poverty.

5. Economic growth is broadly recognized as the key engine of poverty reduction, operating largely through employment generation and increased government revenues for investment in the social sectors, including health and education. Global economic growth began to slow again broadly in mid-2010 as fiscal stimuli ran out. A shifting policy orientation towards austerity in developed economies is expected to hurt global economic growth further and push more people into poverty during 2011 and 2012. As a result, the prospects for regaining lost ground on social indicators through 2012 are poor.

6. As the crisis has pushed millions more people into poverty, and as Governments continue to divert more resources away from social spending, it will become more difficult to achieve all social development goals. Poverty reduction and redistributive social policy are key to achieving internationally agreed development goals. Since incomes are low and social protection systems are either lacking, minimal or disjointed in poorer countries, progress is more difficult. In general, the higher the poverty rate in a country, the less responsive poverty is to growth.⁵

7. The full impact of the crisis on poverty will depend on the shape and form of immediate, medium- and longer-term policy responses. Specifically, countries must consider the medium-to-longer-term social impact of their policies, and balance the need to continue to invest in future productivity through social spending and job creation with the need for debt reduction. Economic policies considered in isolation from their social consequences often have a dire impact on people's nutrition, health and education which, in turn, adversely affects long-term economic growth.

Employment

8. The crisis has had devastating effects on employment, contributing to large-scale increases in unemployment and pushing millions of workers into vulnerable employment, poverty or both. Between 2007 and 2010, the crisis caused the loss of 27.6 million jobs. Developed countries were hit particularly hard. More than half of the jobs lost were in developed economies, which are home to only 15 per cent of the global labour force. The global unemployment rate was 5.6 per cent in 2007, climbing to 6.2 per cent in 2010 after peaking at 6.3 per cent in 2009.

⁴ The World Bank and the International Monetary Fund estimated that an additional 64 million people will fall into extreme poverty owing to the crisis. By 2015, 53 million fewer people will have escaped poverty; see *Global Monitoring Report 2010: The MDGs after the Crisis* (Washington, D.C., World Bank, 2010), p. viii.

⁵ *Global Monitoring Report 2010*.

9. Despite recovery in other macroeconomic areas, the jobs crisis has not been alleviated by the global efforts of Governments and businesses to generate employment; high levels of unemployment persist and underemployment has grown rapidly in some countries. For example, part-time job growth has accounted for roughly 40 per cent of growth in employment in Australia, Canada and the United States of America. Fiscal tightening further dampens the prospects for employment recovery.

10. In many developing countries, unemployment rates had returned to pre-crisis levels by early 2010. However, the recovery of official employment is an incomplete picture of the impact of the crisis on workers in developing countries, where there has been an increase in the levels of informality and the number of working poor. Employment has also become less secure for many.

11. The longer-term employment consequences of the crisis are becoming apparent as most developed countries have seen a significant increase in the share of long-term or structural unemployment — persons unemployed for more than one year — since 2007. In addition, vulnerability has worsened and half of all workers — more than 1.5 billion people — are in vulnerable employment. Many of the new jobs created during the recovery are lower-paying with fewer benefits and less security. Increasing labour market flexibility has been one response to address rising unemployment. By reducing labour regulation, flexibility often translates into insecurity for workers, lower wages, and degraded working conditions, and does not generate the job creation expected. The growth in average wages declined from 2.8 per cent in 2007 to 1.5 per cent in 2008 and 1.6 per cent in 2009. Excluding China from the analysis, average wage growth fell to 0.8 per cent in 2008 and 0.7 per cent in 2009.⁶

12. The number of discouraged workers — working-age individuals willing to work but no longer actively seeking employment — is also growing. Nearly 2 million people have become discouraged from actively seeking jobs. Nearly 4 million people left the labour market at the end of 2009.⁷

13. Youth tend to be disadvantaged in the labour market and have suffered disproportionately from job losses resulting from the crisis. Youth (aged 15-24) had unemployment rates well above their older counterparts prior to the crisis. In 2010, global youth unemployment reached 12.6 per cent, up from 11.8 per cent in 2007. Youth entering the job market during the crisis are likely to suffer lifelong consequences in terms of employment and wages.

14. In order to fully restore employment to pre-crisis levels, growth levels must be high enough to compensate for the size of the working population. Growth must also be employment-intensive, driven by increased productivity. In order for this to occur, there must be widespread structural change towards the more dynamic sectors of the economy. At the current speed of recovery, it would take four to five years to return to pre-crisis levels of global employment.⁸

⁶ International Labour Organization, *Global Wage Report 2010/11: Wage policies in times of crisis* (Geneva, 2010).

⁷ International Labour Organization, International Institute for Labour Studies, *World of Work Report 2010: From one crisis to the next?* (Geneva, 2010).

⁸ *World Economic Situation and Prospects 2011* (United Nations publication, Sales No. E.11.II.C.2).

Food prices rising again

15. Volatile food prices present a serious barrier to social development goals. Recent food price increases are pushing millions more into poverty and leaving more people malnourished. In addition to the short-term consequences of lack of sufficient food, such as higher child mortality, childhood malnourishment has long-term negative consequences for health, educational outcomes and productivity.

16. Since June 2010, higher food prices have pushed an additional 44 million people below the \$1.25-a-day poverty line. Early 2011 saw record food price increases, which returned prices close to their 2008 peak. If food prices continue on their current trajectory, the implications for social development will be devastating. World Bank simulations⁹ suggest that a 10 per cent increase in the food price index could lead to an additional 10 million people falling below the poverty line; a 30 per cent increase could push an additional 34 million people into poverty. Other studies are less optimistic: poor families in developing Asia already spend 60 per cent of their income on food, and a 10 per cent rise in domestic food prices could push an additional 64 million people into extreme poverty in that region alone,¹⁰ and in the transition countries, two thirds of the households were affected by the crisis, and 70 per cent of them reported to have reduced staple food and health expenditures as a coping mechanism in the crisis.¹¹

17. Many countries are pursuing contractionary monetary policies to combat inflation caused by rising food and oil prices. This policy stance is hampering economic recovery, especially job creation. Such monetary policy is, thus, not appropriate for addressing food price inflation. A broad range of factors contributes to food price fluctuations, including increased demand for food, competing uses for food grains such as for the production of biofuels, declining grain stocks and rising oil prices, and speculative activities in food markets. Policymakers should, therefore, consider a range of interventions to combat the causes and impacts of food price fluctuations. Expanding social assistance and nutritional programmes can help to alleviate the impact of food price increases on malnourishment. Without targeted social assistance and nutritional programmes, short-term price increases will lead to calorie deficits and micronutrient malnutrition. The long-term implications of malnutrition in childhood are well documented¹² and include lower educational attainment, lower lifetime earnings, and lower overall productivity. Increased regulation of commodity speculation, expanded support for agricultural development for local consumption, and relaxed biofuels mandates are all needed to address fluctuations in food prices in the long term.

Remittance flows

18. Migrant remittances are very important to the welfare of recipient families and communities. Official remittances fell by 6 percentage points between 2008 and

⁹ World Bank, "Food price watch" (Washington, D.C., 2011).

¹⁰ Asian Development Bank, *Global Food Price Inflation and Developing Asia* (Manila, 2011).

¹¹ European Bank for Reconstruction and Development, *Life in Transition: After the Crisis* (London, 2011).

¹² Saskia de Pee, and others, "How to ensure nutrition security in the global economic crisis to protect and enhance development of young children and our common future", in *The Journal of Nutrition*, 140 (1) (2010).

2009.¹³ By 2010, official remittance flows had recovered to \$325 billion, matching pre-crisis levels. Stabilization of the United States economy has allowed remittance flows to Latin America to resume growth. Higher oil prices have contributed to improved remittance flows to Asia from Russia and other oil-producing countries. However, the tight job market in Western Europe is contributing to increasing migration controls. Despite the apparent recovery of remittances, inflation in recipient countries has outpaced the growth of remittances, such that recipients do not have the same purchasing power with the same dollar amounts received as they did prior to the crisis. Unrest in the Middle East and North Africa is also disrupting migration and remittance flows.¹⁴

Health and education

19. The full impact of the crisis on health and education is difficult to assess and will become fully evident only over time.¹⁵ Based on experience in previous crises, households adopt coping strategies that can have negative consequences for health and education. For example, children are taken out of school to save money on school fees or to work. Stretched household budgets are relieved by replacing more expensive and nutritious foods with cheaper alternatives. Medical care is deferred and needed medications are not purchased. Often, during crises the cost of essential life-saving medication rises and, as a result, life-threatening illnesses may go untreated.

20. When incomes fall and unemployment rises, the demand for public sector services typically expands while, at the same time, government revenues to fund them come under increasing pressure. The reductions in social expenditure that are occurring in many countries are placing the sustainability of recovery at risk. Therefore, social expenditures must continue to be viewed as investments in future growth and maintained despite immediate pressures to constrict social spending.

Inequality

21. Increasing income inequality has been identified as both a cause and an outcome of the economic crisis. Economic growth in the period preceding the economic crisis was unbalanced: the benefits of growth accrued to the wealthiest individuals at the expense of the creation of quality, decent jobs. Between 1980 and 2005, high growth rates and stagnant wages fuelled inequality, as the share of national incomes received by the top 1 per cent of the population increased from 7.5 per cent to 13.4 per cent. Consumer debt grew in this period as wage earners struggled to maintain their standard of living in the face of rising costs and stagnant wages. While global inequality may be declining as a result of the greater impact of the crisis on financial rents and the fiscal austerity induced slowdowns in most developed economies, income inequality within countries is expected to worsen as a

¹³ United Nations Educational, Scientific and Cultural Organization, *Education for All Global Monitoring Report 2010: Reaching the marginalized* (Paris, 2010).

¹⁴ Sanket Mohapatra, Dilip Ratha and Ani Silwal, "Outlook for remittance flows 2011-13". *Migration and Development Brief* 12, vol. 16 (Washington, D.C., World Bank, 2011).

¹⁵ For an assessment of the impact of the crisis on health and education, see *The Global Social Crisis: Report on the World Social Situation 2011*.

result of rising food prices, high unemployment and increased poverty rates. These trends disproportionately impact the less-advantaged within countries.¹⁶

Climate change

22. Climate change is causing increased variability of weather patterns and changes in agro-ecology. Climate change, if unabated, will have negative consequences for nutrition, schooling and future productivity. Changing weather patterns have already hurt food production, and weather events are responsible for disruptions in global supply chains. The tsunami in Japan in March of 2011 disrupted global supply chains, slowing output and further slowing the global economic recovery. The onset of the economic crisis has also withdrawn attention and momentum from climate change concerns. Also, lack of access to credit and competing budgetary priorities are having an adverse impact on investment in adaptation and mitigation strategies, both among public and private investors.

23. Recently, there has been a promising shift in national and international dialogue, towards a focus on broader sustainable development that incorporates sustainable environmental and economic practices with the ultimate goal of improving well-being. The green economy, in the context of poverty eradication and sustainable development, will be the theme of the United Nations Conference on Sustainable Development¹⁷ to be held in June 2012.

Upheavals in the Middle East and North Africa

24. Despite good growth levels, the Middle East suffers from the highest unemployment among developing regions and remains poorly integrated into the world economy. Youth unemployment in the region has reached as high as 70 per cent. The region also has the lowest economic participation rates of women, high inequality and poor human development.¹⁸ In reaction in part to social conditions, recent and ongoing uprisings in the Middle East have been propelled by political and economic demands of the population combined with a lack of alternative avenues to influence public policy. While the changes in governance resulting from the protests may be positive in the long run through increased citizen participation in policymaking, in the short term the transition has contributed to increased oil prices (a 21 per cent increase in the first quarter of 2011) and may further disrupt economic activity.¹⁹

Africa

25. Africa's economy has proven to be resilient to the crisis, with an expansion of 3.6 per cent in 2011 and growth expected to reach 5.4 per cent in 2012.¹⁹ However, unemployment and vulnerable employment remain high, and the region is still not expected to achieve sufficient growth to meet poverty reduction targets even with significant income redistribution, which seems unlikely. Most sub-Saharan African economies remain highly dependent on primary production and remain very

¹⁶ For an assessment of the impact of the crisis on inequality, see *The Global Social Crisis*.

¹⁷ Also referred to as Rio+20, or Earth Summit 2012. See <http://www.earthsummit2012.org/>.

¹⁸ United Nations Development Programme, Regional Bureau for Arab States, *Arab Human Development Report 2009: Challenges to Human Security in the Arab Countries* (New York, 2009).

¹⁹ *World Economic Situation and Prospects 2011*.

vulnerable to terms of trade shocks; production and exports have not diversified very much, with significant deindustrialization in recent decades. South Africa, the largest economy in the region, is a notable exception to positive growth trend. With an expected growth rate of only 3.5 per cent for 2011, the substantial job losses are not expected to be reversed.²⁰

II. Contribution of the Commission for Social Development at its forty-ninth session

26. The Commission for Social Development devoted its forty-ninth session to a review of its priority theme “Poverty eradication, taking into account its interrelationship with social integration and full employment and decent work for all.” The present section of the report provides a summary of the deliberations of the Commission on its priority theme.

A. Poverty eradication

Progress and challenges

27. Poverty eradication remains a major challenge for all Governments and the United Nations system, especially in the aftermath of the global economic and financial crisis, and continuing food and energy price hikes. National Governments and the international community remain committed to continued efforts at the national, regional and global levels to fulfil the internationally agreed development goals in regard to poverty reduction targets, including the Millennium Development Goals, and the commitments contained in the Copenhagen Declaration and Programme of Action.

28. Concerted national and international efforts have so far yielded marked though uneven progress in reducing poverty. The world is on track to reach the global Millennium Development Goal poverty target by 2015.²¹ However, the achievement of this target is but one step towards the commitment to poverty eradication made at the World Summit on Social Development, for there will be close to 900 million people still living in extreme poverty by 2015, according to pre-crisis World Bank projections.

29. Moreover, progress towards poverty eradication has been uneven among countries and regions. Much of the progress in reducing extreme poverty and raising living standards has been achieved in East Asia, particularly in China. Other regions have been less successful. At the same time, regional trends conceal very different national experiences, even among those countries with similar income levels. In fact, while the forecasted declines in income poverty at the global and regional levels are encouraging, poverty remains high and intractable in many countries. The global trend masks the dire reality in many countries where there has been slow or little progress in poverty reduction.

²⁰ International Monetary Fund, *World Economic Outlook: Tensions from the Two-Speed Recovery: Unemployment, Commodities, and Capital Flows*. World Economic and Financial Surveys (Washington, D.C., 2011).

²¹ Owing largely, however, to progress in a few countries, as discussed in paragraph 29.

30. Furthermore, in addition to a lack of adequate income, people living in extreme poverty also suffer multiple deprivations, restrictions in opportunities and social exclusion. While many countries have succeeded in reducing income poverty, they still face important challenges in ensuring access to education, health, food and other basic goods and services. For example, as a result of the food crisis, the number of undernourished people increased from 817 million in 1990-1992 to over 1 billion in 2009, and it is estimated to be 925 million in 2010. This estimate could be even higher in 2011 given the renewed rise in food commodity prices.²²

31. Sustained or increased investments in health and education are vital to break the cycle of poverty and to prevent its intergenerational transmission. People living in poverty still face obstacles in accessing quality health care, and many suffer and die from easily preventable diseases and health conditions. Disease, in turn, can push vulnerable families into poverty. Education is widely recognized as a means for socio-economic mobility, and the lack of education often prevents people living in poverty from taking part in higher-paying formal-sector employment. These linkages underline the vicious circle that exists between income poverty and poor health and low levels of education that can be addressed through effective government policies.

32. Gender and urban-rural disparities continue to present a challenge for implementing policies on poverty reduction. Although there has been considerable progress in reducing gender inequality in the past three decades, women remain disadvantaged relative to men in most spheres of life, and are not equally represented in the decision-making processes. In addition, throughout the world there are large disparities in well-being between urban and rural residents. Poverty has been growing faster in urban areas, especially in Latin America, yet the incidence of poverty is still higher in rural areas.

33. Poverty has social, economic, political and environmental dimensions, and some of the structural causes of poverty and inequality are global in nature. Lack of decent employment opportunities, social protection and access to social services, and increasing inequality, frequency of natural disasters, and disease burdens, in particular HIV and AIDS, are some of the main obstacles to poverty eradication that national Governments and the international community need to address.

Lessons learned

34. With less than five years remaining before the target date of 2015 for achieving the Millennium Development Goals, actions to accelerate progress, building on successes and lessons learned, are required. This need is especially pressing in those regions and countries which lag behind in their poverty reduction targets, and where social and economic inequalities remain high.

35. Countries face diverse economic, social and political challenges to implementing their poverty eradication strategies and programmes. Despite the diversity of challenges faced by countries in this regard, there is broad agreement among countries on a number of issues based on their experiences. One area of

²² This is most likely to be the case, based on the World Bank estimate that an additional 44 million people had been pushed into extreme poverty in 2010 owing to rising food prices and the Asian Development Bank warning of 64 million more people living on less than \$1.25 a day in Asia if food prices remain at the April 2011 level.

agreement is that rapid and sustained economic growth, accompanied by structural change, and supported by consistent counter-cyclical macroeconomic policies are necessary for sustained poverty reduction. This is supported by the success of East Asia in dramatically reducing poverty, as well as the progress in poverty reduction made by African countries prior to the onset of the global crises. As the 2010 *Report on the World Social Situation* shows, many high profile programmes, e.g., land titling, microcredit, and others, have not been very effective in poverty reduction.

36. The multidimensional nature of poverty requires poverty reduction strategies that go beyond mere economic growth and seek to integrate action to improve education, housing, health and employment outcomes that can help reduce inequality. In many countries, increasing income and wealth inequalities have limited the effectiveness of economic growth in reducing poverty. In highly unequal societies, poor people often do not have access to productive resources, including land, markets or transportation and communications infrastructure, with the result that people living in poverty are often locked out of the economic growth processes. Therefore, macroeconomic policies should fully consider the social dimension of development, including the need to reduce inequality and to promote full employment and decent work for all.

37. It is crucial for developing countries to implement programmes that offer universal access to basic social protection and social services in order for them to break the cycle of poverty. Insofar as social protection measures shield people from various shocks and enhance their capacity to manage and overcome situations that affect their well-being, such measures are essential to reduce vulnerability and prevent the deterioration in living conditions. During economic crises, social protection systems perform an important role as social and economic stabilizers. In the long term, social protection can help individuals and families build human capital and improve their livelihood prospects, thereby addressing the underlying causes of poverty. When complemented by broader interventions that address discrimination, access to resources and their redistribution, these measures will have a profound impact on poverty and vulnerability and contribute to the establishment of a virtuous circle between economic growth and poverty eradication.

38. Countries that have successfully reduced income poverty and improved social conditions on a broad scale have developed comprehensive social protection policies covering a majority of the population. While the structure of social protection systems will depend on specific country contexts, a basic social protection floor should comprise a basic set of essential, context-appropriate social transfers and access to essential services, including health care, education and adequate nutrition. This social protection floor is affordable, even in the poorest countries, if implemented progressively. The needed investment is often viewed as less of an impediment when the potential consequences of not investing in social protection are taken into account. It is important that such interventions are complemented by broader social investment that addresses discrimination, exclusion and the inequitable distribution of resources.

39. Another lesson in implementing poverty reduction strategies is that rural development and agricultural productivity are fundamental to social development and poverty reduction, and a greater focus on the rural economy and the role of agriculture in developing countries is necessary. Small- and medium-sized farms provide employment for the majority of working people in many developing

countries. It is also important to link agricultural production to local urban markets, to help insulate against external shocks and increase food security and reduce poverty, especially in view of the resurgence of global food price increases.

40. Countries in which economic growth has been achieved with gains in agricultural productivity and sustained increases in decent work opportunities in both rural and urban areas have made the most progress in reducing poverty. More public investment is needed to support such growth in developing countries with large agricultural sectors, where women are often employed. In this regard, the promotion of gender equality is critical to ensure that women receive the benefits of agricultural and rural development.

41. Finally, successful examples of countries implementing effective poverty reduction strategies underscore the importance of embedding social policy as an integral part of a broader development strategy, in order to address the conditions that cause and perpetuate poverty. Sustainable anti-poverty strategies require social policies that focus on all members of society, not just on the poor. It is important to build on successful experiences to scale up global efforts in order to accelerate progress to achieve the internationally agreed development goals, including the Millennium Development Goals and the commitments of Copenhagen.

B. Productive employment and decent work for all

42. Full and productive employment and decent work for all are central to national strategies for poverty eradication and social integration. Full and productive employment refers to high levels of employment with high real wage rates. Poverty eradication efforts will not be successful and sustainable unless people have access to employment opportunities that pay wages above the poverty line. Moreover, improving the quality of jobs, as emphasized by the decent work agenda, is vital to tackling the problem of working poor in many countries. Structural change through productivity-led growth also contributes to high employment and high real wages.

43. While employment generates the income that people living in poverty need in order to escape poverty, employment and decent work also provide the vital channel through which the benefits of economic growth can be more widely shared. The attainment of full and productive employment and decent work for all is essential for sustainable development where the benefits of growth are shared equitably.

44. Making full and productive employment and decent work for all a central objective of national and international policies is imperative to achieving the internationally agreed development goals, particularly the goal of poverty eradication. Therefore, the promotion of full employment and decent work must become a key macroeconomic objective alongside consistently counter-cyclical policies and functional finance, in order to achieve more stable and balanced growth supporting poverty eradication.

45. Undue emphasis on balancing public budgets, without considering its consequences, has often resulted in declines in public investment in infrastructure, technologies and human resources, all of which are critical for economic growth and employment creation. Emphasis should be on public expenditure review in order to enhance its productive element, instead of across-the-board cuts, especially in the current context of recovery from severe economic recession.

46. The Social Protection Floor Initiative, co-led by the International Labour Organization (ILO) and the World Health Organization (WHO), is a critical component of the decent work agenda. The Initiative comprises a systemic base to address poverty and vulnerability through its four essential guarantees: access to essential health care for all; income security for children; assistance for unemployed, underemployed and poor persons; and income security for older persons and persons with disabilities. Investments in a Social Protection Floor can create a virtuous cycle of development, leading to improved schooling, training, and health, thus creating a greater pool of human capital, which supports long-term economic growth while also leading to more people being employed in the formal sector. Ultimately, the growth of the formal sector will generate more financial resources through tax revenue and make higher levels of social protection possible.

C. Social integration

47. Governments around the world are increasingly recognizing the importance of social integration to advancing social development and reducing poverty, because social integration fosters social cohesion and stable and just societies, which create an enabling environment for development and progress. Participation by all in social, economic, political and cultural life is critical to ensuring that government policies are responsive to the needs of society, including people living in poverty.

48. Many countries have moved from disjointed or ad hoc policies for social integration to more coherent and cohesive policies in line with national development goals and poverty reduction strategies.²³ Governments and their social partners should strive to create an environment conducive to participation and social integration, by taking public action and implementing policies that eliminate discrimination and social barriers. This will contribute to, and reinforce, efforts to eradicate poverty.

49. Advances in promoting social integration have been made, including through the adoption of international plans of action, conventions and declarations to address the challenges various social groups face in overcoming social exclusion and poverty. Governments and their social partners have implemented social integration policies aimed at reducing inequality and eliminating discrimination, to provide equal access to employment opportunities, basic social services, education and health care, and to increase participation and inclusion of social groups, especially young people, older persons and persons with disabilities, as well as indigenous people.

50. Assistance to large families and single-parent families is an effective strategy to combat overall poverty. Targeting children of families suffering from poverty, through benefits ranging from child support grants, cash transfers, educational allowances, housing subsidies and free education to foster-care programmes is necessary to combat the intergenerational transmission of poverty.

51. Moreover, families have traditionally provided social protection to their members and they should be supported in this important function. Effective social protection measures combined with efficient service delivery and access to basic

²³ For further information and examples, see the report of the Secretary-General on implementation of the resolution on promoting social integration (E/CN.5/2011/2).

services are good strategies to assist families. The upcoming twentieth anniversary of the International Year of the Family in 2014 provides an impetus to ensure further promotion and realization of the mandated objectives of the International Year. The Commission for Social Development will be guided by the following themes in the preparations for the twentieth anniversary, in carrying out its mandate of following up to the Social Summit: confronting family poverty and social exclusion; ensuring work/family balance and advancing social integration and intergenerational solidarity.

III. Implementation in a time of crisis

52. The implementation of the outcome of the World Summit for Social Development and of the twenty-fourth special session of the General Assembly has been increasingly challenged by the multiple crises that have emerged in recent years. Better coordinated and more coherent policy responses are needed at the national level, as well as within the United Nations system, to meet these new challenges effectively.

A. National policy responses

53. The current financial crisis, coming close on the heels of the multiple crises in recent years, has prompted a shift away from market fundamentalism towards a greater role for government in guiding the economy. Counter-cyclical macroeconomic policy measures have clearly worked to mitigate the impact of the crisis in many countries. Both the recession and its social impact have been less severe than initially feared, thanks to the prompt policy responses by many countries, including emerging economies in the developing world. ILO has estimated that counter-cyclical measures implemented by the G20 countries saved or created 21 million jobs in their economies.²⁴

54. The debt crisis in developed economies that started in early 2010 has continued into 2011, placing significant pressure on national Governments to reduce spending. Many Governments in developed countries have responded to growing deficits worsened by the economic crisis with reduced social spending, weakening social protection systems in those countries. Reductions in spending on health, education, job cuts, pay cuts, and tax increases are some measures being taken in hopes of improving countries' fiscal positions.

55. Concerns over deficits and mounting debt levels have encouraged many countries to implement austerity measures. Those countries have ended fiscal stimulus measures, raised retirement ages to reduce pension costs, cut wages and raised taxes. For example, Spain has committed to reducing public spending by 7.9 per cent in 2011, Germany is reducing federal spending by 4.3 per cent between 2010 and 2011, and Italy is implementing a 10 per cent budget cut for 2011 and 2012.

²⁴ International Labour Organization, report with substantive contributions from the Organization for Economic Cooperation and Development, "Accelerating a job-rich recovery in G20 countries: Building on experience" for the Meeting of G20 Labour and Employment Ministers, Washington, D.C., 20-21 April 2010 (Geneva, 2010).

56. There is some concern that such measures may worsen or prolong the crisis, given that fiscal consolidation lowers growth. One IMF study found that, after two years, a budget deficit cut of 1 per cent of gross domestic product (GDP) lowers output by about 0.5 per cent and raises unemployment by 1/3 of a percentage point.²⁵ Ultimately, these measures could worsen or prolong the crisis by increasing unemployment, especially for young people, and weakening social protection systems at a time when they are needed most.

57. However, several developing countries, drawing important lessons from previous crises, have made great efforts to protect social expenditure so as to preserve gains in social development, even as government revenues declined as a result of slowing economic growth. For example, some Governments, including those of Argentina, India and South Africa, maintained or even expanded their cash transfer programmes for families, programmes that have often been credited with causing substantial reductions in family poverty and better outcomes for children, such as improved school attendance and reductions in child malnutrition and child labour.²⁶

58. Some Governments managed to extend social protection, and to make it more responsive to new social needs in their crisis response measures, especially at the early stage of the global financial and economic crisis. This helped to ameliorate the impact, both of higher food and fuel prices and of the economic recession, on poor and vulnerable populations. For example, Brazil expanded its Bolsa Familia programme to provide a minimum level of income for almost 50 million people, representing 0.4 per cent of the GDP in 2010.²⁷

59. In the area of social protection, some developing countries, including Burkina Faso, Mexico and Mozambique, have taken action to implement the Social Protection Floor initiative by raising awareness, establishing a national Social Protection Floor task force, taking stock of the social protection situation, designing measures to extend existing social protection to larger segments of the population and conducting analyses. Some countries, such as Argentina, Chile and South Africa, have adopted specific legislation to reform the social security system, emphasizing social protection for marginalized social groups, including older persons, persons with disabilities and the unemployed. In India, the National Rural Employment Guarantee Scheme responds to the needs of 53 million poor rural households by offering them 100 days of employment per year through public works programmes.²⁸

60. Some countries are turning the crises into opportunities to invest in green jobs for employment-creation and poverty reduction.²⁹ Some others are re-examining the role of both the public sector and civil society organizations in providing social services as a source of new jobs to counter the impact of the financial and economic crisis. These initiatives all contribute towards implementing the commitments of the

²⁵ International Monetary Fund, *World Economic Outlook: Recovery, Risk and Rebalancing*, World Economic and Financial Surveys (Washington, D.C., 2010).

²⁶ For further information and examples, see: United Nations Development Programme, *Sharing Innovative Experiences: Successful Social Protection Floor Experiences* (New York, 2011).

²⁷ *Sharing Innovative Experiences*.

²⁸ For further information, see *World Economic and Social Survey 2011: The Great Green Technological Transformation* (United Nations publication, Sales No. E.11.ILC.1).

World Summit for Social Development, especially with regard to promoting poverty eradication, employment and decent work.

B. United Nations responses

61. The United Nations system has engaged in a wide array of activities to implement the Copenhagen Programme of Action, and to counter the impact of the global crisis on achievements in social development. In this context, new initiatives and partnerships have emerged to advance the coherence of the United Nations system and to ensure greater effectiveness of development cooperation.

62. Within the context of the Commission for Social Development, the Department of Economic and Social Affairs has organized panel discussions and expert group meetings on emerging social development issues, including poverty eradication, social protection, decent work, and social integration.²⁹ The Division has organized a Civil Society Forum to ensure a wide range of participants in the forty-ninth session of the Commission. Furthermore, the Division is engaged in producing cutting-edge research and reports, such as its 2011 flagship report.³⁰ The Copenhagen Programme of Action also provides a basis for the Department of Economic and Social Affairs technical cooperation advisory services to Governments, focused on the least developed countries and countries in special situations, such as the small island developing States.

63. The Second United Nations Decade for the Eradication of Poverty (2008-2017), proclaimed by the General Assembly in 2007 and focused on the theme Full Employment and Decent Work for All, presents the overarching framework for the United Nations poverty eradication agenda. The Department of Economic and Social Affairs and ILO coordinate a system-wide plan of action for poverty eradication which was endorsed by a group of 21 United Nations agencies, funds, programmes and regional commissions, as well as by the United Nations System Chief Executives Board for Coordination (CEB). This plan of action places particular emphasis on employment creation, social protection, rights and standards at work, and the impact of the global economic and financial crisis on employment.

64. To counter the impact of the converging global crisis on social development, the CEB adopted nine joint United Nations initiatives in April 2009. The Global Jobs Pact and the Social Protection Floor are both part of that framework. The Global Jobs Pact is an ILO-led global partnership framework aimed at providing crisis-response measures, built around the principles of decent work and a job-rich recovery. The Pact promotes a productive recovery centred on investments, employment and social protection, and also strives to put employment at the centre of the policy agenda. The Social Protection Floor Initiative aims at promoting access to essential social security transfers and social services, with an emphasis on assistance to vulnerable groups. This Initiative has since developed a strong coalition of United Nations agencies, bilateral partners and non-governmental organizations to ensure coherence and coordination at the country level. Another initiative that has strong interlinkages with the World Social Summit agenda is the

²⁹ For more information, please visit the website of the United Nations Department for Economic and Social Affairs: <http://social.un.org/index/ExpertGroupMeetingsPanelDiscussions.aspx>.

³⁰ *The Global Social Crisis*.

United Nations System Joint Crisis Initiative on Food Security, coordinated by the Secretary-General's High-Level Task Force on the Global Food Security Crisis, which aims to tackle the effects of the food crisis.

65. United Nations agencies have also responded to the interlinkages between effective crisis response and environmental sustainability. The United Nations Environment Programme (UNEP) Green Economy Initiative — one of the CEB-endorsed crisis response initiatives — seeks to demonstrate the potential of investing in green sectors as an instrument for bringing about recovery and sustainable growth, advancing decent work, and reducing poverty, while also tackling acute environmental problems. The joint UNDP and UNEP Poverty-Environment Initiative programme also supports country-led efforts to mainstream poverty-environmental linkages into national development planning, and to manage the environment in a way that improves livelihoods and leads to sustainable growth.

66. The Executive Committee on Economic and Social Affairs, convened by the Under-Secretary-General for Economic and Social Affairs, continues to provide an important instrument of policy development, decision-making and management in the area of social development, particularly through its cluster on social development. In recognition of the importance of the Rio+20 Summit in 2012, the Executive Committee membership has been broadened to engage relevant United Nations agencies, funds and programmes, in order to enhance coordination and coherence in the United Nations system preparations for the Summit. The cluster on social development has been tasked to facilitate and coordinate the collaboration of Executive Committee members in order to raise the visibility of the social pillar of sustainable development. Additional initiatives include the Lead Economists Network and the Macroeconomic Advisory Capacity initiatives. The Lead Economists Network seeks to foster coherence and collaboration within the United Nations system analytical work and policy guidance on economic issues. The Macroeconomic Advisory Capacity is a purely demand-driven initiative that seeks to provide countries with an opportunity of getting a second opinion on pertinent macroeconomic issues.

67. Concerted national and international efforts have yielded marked progress towards the poverty target of the Millennium Development Goals. At the same time, it is important to bear in mind that income poverty is one of the many dimensions of poverty and deprivation defined by the Copenhagen Declaration and Programme of Action. In fact, the confluence of multiple global crises has presented countries with serious challenges in implementing commitments made at the World Summit, as poverty, unemployment and underemployment as well as social tensions rise while public finance comes under stress in a period of slow economic growth. Although the impact on social progress in areas such as education and health will become fully evident only over time, it is clear that the world is facing a social crisis.

IV. Recommendations

68. **In order to guard against losing further ground in poverty eradication and other areas of social development and in order to accelerate progress to meet the Millennium Development Goal targets in the remaining years before 2015, the General Assembly may wish to consider the following recommendations:**

(a) Recognizing that sustained economic growth is a necessary although not a sufficient condition for poverty eradication, and that growth needs to be inclusive and equitable to have maximal impact on poverty, both macroeconomic and social policies should take into consideration and address inequality, so as to ensure that economic growth benefits all members of society and contributes to the overarching development objective of poverty eradication;

(b) The creation of employment opportunities and decent jobs should be integral to macroeconomic policy objectives, as experiences have shown that the most direct pathway out of poverty is achieved by generating enough decent work opportunities; and that, by creating productive employment and decent jobs, economic growth will help to reduce both poverty and inequality;

(c) Government policies need to be consistently counter-cyclical, and fiscal resources should be conserved during boom periods to support expansionary measures in times of need; and, in this regard, countries need to have policy space to be able to pursue counter-cyclical policies in a consistent manner; such policy space should be enabled by changing the fundamental orientation and nature of policy prescriptions that international organizations impose on countries as conditions for assistance;

(d) Universal social protection systems and active employment-generation programmes should become permanent measures as an integral part of a policy mix to advance the decent work agenda, to eradicate poverty and to foster social cohesion.

69. In view of the increasing importance of the social pillar in achieving the internationally agreed development goals, including the Millennium Development Goals, and the achievement of sustainable development, the General Assembly may wish to consider the following recommendations to enhance implementation of the outcome of the World Summit for Social Development and of the twenty-fourth special session of the General Assembly:

(a) Raise the visibility of social development in the United Nations Development Agenda, including its contribution towards the achievement of sustainable development, by encouraging the Commission for Social Development to continue to actively review its future organization and methods of work and to establish a multi-year work programme that embraces priority themes which are focused on, and responsive to, current issues of social development, as well as emerging economic, financial and environmental issues;

(b) Invite Member States to launch country-led initiatives on creating inclusive societies by sharing lessons learned and best practices, including ways to enhance political support for social issues. Outcomes of such events and initiatives could be presented to the Commission for Social Development;

(c) Promote broader and more focused engagement of the United Nations system organizations and all stakeholders in the work of the Commission by, but not limited to, the encouragement of broader regional discourse as inputs to the work of the Commission through, for example, the organization of regional meetings by the regional commissions on its priority theme;

(d) Promote greater coherence in the implementation and response of United Nations system organizations, by more closely linking the implementation of relevant United Nations initiatives, including, but not limited to, the Second Decade for the Eradication of Poverty, the World Programme of Action for Youth, the Global Jobs Pact, the Decent Work Agenda, the Chief Executives Board nine Joint Crisis Initiatives, and the Action Agenda of the Millennium Development Goals Summit of 2010.

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Item 101 of the preliminary list*

**Review of the implementation of the recommendations
and decisions adopted by the General Assembly at its
tenth special session****Work of the Advisory Board on Disarmament Matters****Report of the Secretary-General***Summary*

The Secretary-General's Advisory Board on Disarmament Matters held its fifty-fifth session, in New York, from 23 to 25 February 2011, and its fifty-sixth session in Geneva, from 29 June to 1 July 2011. The Board focused its deliberations during both sessions on the following substantive agenda item: issues raised at the high-level meeting, including the possible establishment of a high-level panel of eminent persons with special focus on the functioning of the Conference on Disarmament.

The Board had an in-depth exchange of views on the agenda item. The Board recommended that the Secretary-General should continue to encourage the Conference on Disarmament to seek all efforts in achieving a breakthrough in the continuing impasse. The Secretary-General may also wish to consider encouraging progress on a programme of work for the Conference that facilitates work on the four core issues outlined in the decision reached by the Conference on 29 May 2009 (see CD/1864). The Board recommended that, should a high-level panel of eminent persons be established, the Secretary-General ask the panel, as an urgent task, to make recommendations on the way to revitalize the United Nations disarmament machinery as a whole, especially the Conference. The Secretary-General may also consider the need to establish an institutional link between the Advisory Board and the proposed high-level panel by inviting one or more current or former Board members to be part of the proposed panel. Prior consideration should be given to the financial implications of the establishment of such a panel. The Board also recommended that the Secretary-General should continue to raise public awareness

* A/66/50.

and encourage civil society groups and non-governmental organizations to offer their input on ways to overcome the prolonged stalemate at the Conference and move towards the ultimate goal of a world free of nuclear weapons.

As the Board of Trustees for the United Nations Institute for Disarmament Research (UNIDIR), the Board adopted the Institute's 2011 programme and budget and approved, for submission to the General Assembly, the report of the Director of the Institute on its activities from August 2010 to July 2011, as well as the proposed programme of work and budget for 2012 and 2013. The importance of adequate funding for the Institute, in order to maintain its sustainability, was reiterated by members of the Board.

I. Introduction

1. The Advisory Board on Disarmament Matters held its fifty-fifth session in New York, from 23 to 25 February 2011, and its fifty-sixth session in Geneva, from 29 June to 1 July 2011. The present report is submitted pursuant to General Assembly resolution 38/183 O. The report of the Director of the United Nations Institute for Disarmament Research (UNIDIR), approved by the Advisory Board serving as its Board of Trustees, has been submitted in a separate document (A/66/123).
2. Olga Pellicer (Mexico) chaired the two sessions of the Board in 2011.
3. The present report summarizes the Board's deliberations during the two sessions and the specific recommendations it conveyed to the Secretary-General.

II. Substantive discussions and recommendations

A. Issues raised at the high-level meeting, including the possible establishment of a high-level panel of eminent persons with special focus on the functioning of the Conference on Disarmament

4. The Chair's summary of the high-level meeting on "Revitalizing the work of the Conference on Disarmament and taking forward multilateral disarmament negotiations", held on 24 September 2010, stated that the Secretary-General would ask the Advisory Board on Disarmament Matters to undertake a thorough review of the issues raised at the meeting, including the possible establishment of a high-level panel of eminent persons with special focus on the functioning of the Conference on Disarmament and that, based on its recommendations, the Secretary-General would consider further action in that regard. The Secretary-General therefore requested the Board to consider the matter as its main substantive agenda item for its two sessions in 2011.
5. At its fifty-fifth session, four Board members, Carlo Trezza, Adam Rotfeld, Nobuyasu Abe and François Rivasseau, presented food-for-thought papers on the agenda item. At the same meeting, a presentation was provided to the Board by an outside expert, Tim Caughley, Resident Senior Fellow of UNIDIR. Two Board members, Dewi Fortuna Anwar and Desmond Bowen, also provided food-for-thought papers at the fifty-sixth session.
6. The Board stressed that a political solution was required to break the stalemate at the Conference on Disarmament. The lack of political will, rather than the technical difficulties being encountered, was seen as the principal problem faced by the Conference, and it was mentioned that what appeared to be procedural problems were in fact political ones. Changing the method of work of the Conference was not seen as the ultimate solution that would make the body more efficient.
7. Some members stressed that the Conference on Disarmament was a consensus body. Several members stated that it would be difficult to make changes to the consensus rule and that the only way to develop treaties was through consensus. Other members referred to the need for flexibility on consensus in specific cases. It was also emphasized that the Conference should be maintained as a body since it was a valuable forum where States could articulate their positions. A comment was

also made that, in view of the significant changes in the international environment in recent years, considerable changes were required within the Conference in order to accurately reflect the shift in the distribution of power within the global system.

8. There was agreement that a fissile material cut-off treaty was a priority, and the importance of the other core issues, including the peaceful uses of outer space and negative security assurances, were underlined by a number of members. The need to de-link negotiation of a fissile material cut-off treaty from the current technical problems of the Conference was also mentioned. It was stated that a cut-off treaty was an issue related to international security, which was quite different from some of the procedural problems faced by the Conference.

9. While certain Board members stated the need to consider alternative avenues for negotiations, for example the General Assembly or a forum of like-minded States, others commented that any attempts to negotiate a fissile material cut-off treaty outside the Conference on Disarmament would have little chance of success if nuclear-weapon States were not to join in such efforts.

10. Some members suggested the need for intermediate steps prior to negotiating treaties as a means of breaking the deadlock and also for having discussions on issues other than a fissile material cut-off treaty, for example information security or the peaceful uses of outer space. It was mentioned that such partial work or activities could be devised but that any efforts to establish partial norms would be strongly opposed by certain States.

11. Many Board members expressed the need to further engage civil society on disarmament issues, including the involvement of civil society and non-governmental organizations in pressing the Conference on Disarmament to move forward on nuclear disarmament issues.

12. There were also differences of views on the part of some members on whether there was a need for the establishment of a high-level panel of eminent persons and whether such a group would be able to play a significant role. Members stressed the need for discussing a clear mandate for the high-level panel. Different opinions were also expressed over the size and composition of the panel. Some members called for a larger group while others commented that a smaller panel would be more efficient. There was consensus, however, that such a group should have adequate geographical representation as well as expertise in disarmament-related matters.

13. Other noteworthy comments included emphasis by most members on the need to establish an institutional link between the Advisory Board and the possible high-level panel. A comment was also made on the importance of educating Government officials and diplomats in multilateral disarmament issues within the overall context of disarmament education, on which the Board had conducted in-depth discussions in 2010.

14. At its fifty-sixth session, in Geneva, the Board continued its deliberations on the same agenda item. The Board was thus able to have a second in-depth exchange of views on the subject. The Board also attended an informal plenary meeting of the Conference on Disarmament on 30 June 2011.

15. Most members expressed growing frustration over the continuing stalemate at the Conference on Disarmament, that is its inability to move discussions forward.

The Board considered that the root cause of the stagnation could be attributed both to political and procedural problems. Some members stated that the heart of the problem lay with the security concerns of States. The current working methods, including the need for consensus on procedural matters, the practice of linkages, the annual adoption of a programme of work and the limited time given to each presidency, were all cited as being non-productive. One member suggested that the Conference should be encouraged to adopt a simplified programme of work as was the practice during the 1980s and early 1990s.

16. A comment was made that the current impasse in the Conference on Disarmament was nothing new, and it was recalled that it took many years before the Comprehensive Nuclear-Test-Ban Treaty could be negotiated even though it was generally agreed to be an issue that most urgently needed negotiation. It was only after underground nuclear test explosions had become virtually superfluous to the nuclear-weapon States that there had been sufficient political will to begin talks on the Treaty. It was observed that a similar phenomenon was now in play at the Conference, but with a different set of players, and that therefore the institution itself and its working methods could not be solely blamed for the stalemate.

17. Several Board members supported the need for an incremental approach as the most feasible means of breaking the deadlock at the Conference. They also suggested the establishment of scientific or technical groups within the Conference to explore issues related to the four items contained in the above-mentioned decision of the Conference (CD/1864). One member expressed doubt, however, over the usefulness of such technical groups.

18. Some members stated that the regional groupings in the Conference were outdated, hindering cross-regional cooperation as well as the ability of individual Member States to break politically from their groups.

19. A number of noteworthy proposals for moving forward were suggested. One suggestion was that the range of solutions for revitalizing the Conference could be imagined along a continuum, from leaving the Conference to its own devices at one end of the spectrum to very intrusive measures at the other.

20. In connection with the adoption of a fissile material cut-off treaty, as a confidence-building measure one member proposed a similar approach to the six-party talks on the Korean Peninsula in the case of the South Asian region through five-party talks between India, Pakistan, China, the Russian Federation and the United States of America. A number of Board members expressed interest in this proposal.

21. Many members cautioned the Secretary-General against encouraging efforts that seek to move negotiations outside the disarmament machinery of the Organization since it would be contrary to his responsibility to advance the use of United Nations bodies. Concerns were also expressed that if ever the Conference were to be suspended it would be most difficult to revive.

22. The need for convening a fourth special session of the General Assembly devoted to disarmament was again mentioned by some Board members while others emphasized that such a meeting, would require consensus in order to succeed and that convening it would not be productive at this time. It was also pointed out that any attempts at replacing the Conference on Disarmament would have to be done by the General Assembly at a fourth special session.

23. The Board members considered the idea of changing the dynamics between the Conference on Disarmament and the General Assembly by giving the Assembly greater oversight over the Conference. Given the difficulties of internal reform, some members suggested that the Conference needed to be modified through external processes within the United Nations. While a high-level panel of eminent persons could provide recommendations for its revitalization, it was suggested that the only possibility to reform the Conference would have to come from the Assembly.
24. There was a suggestion that the General Assembly be used to enable negotiations on a fissile material cut-off treaty through a parallel process. One Board member pointed out that the Treaty on the Non-Proliferation of Nuclear Weapons, the Chemicals Weapons Convention and the Comprehensive Nuclear-Test-Ban Treaty were all negotiated over the objections of at least one State. It was mentioned that, in the past, States objecting to certain treaties had been requested to stand aside, and that the same could possibly be done again in the case of negotiations on a cut-off treaty. Nevertheless, in order to do this, the possibility of negotiating a cut-off treaty would first have to be exhausted within the Conference.
25. A number of Board members also underlined that the decision of the Conference contained in document CD/1864 could be used as a basis for future negotiations. It was also stated that the General Assembly could establish a negotiating body parallel to the Conference. It was stressed, however, that for such an effort to succeed, it would require a strong commitment to the negotiating process on the part of the Secretary-General, as well as the participation of relevant States. It was suggested that it would be important to test the waters first by seeing if the First Committee of the General Assembly would be willing and able to adopt a strong resolution on the revitalization of the Conference at the next session of the Assembly.
26. Members of the Board continued to express differing views on the establishment of a high-level panel of eminent persons. While the creation of such a panel could be valuable, the process was not certain to revitalize the Conference on Disarmament or the multilateral disarmament machinery in general. The risk of a proliferation of consultative bodies and of possible duplication of work was also mentioned.
27. Different opinions were also expressed on the composition of the high-level panel. One member suggested that the Advisory Board itself could act as the panel, and that, if not, at least some of its members should be included. Other members supported the inclusion of at least one or more current or former Board members on the panel. The Board agreed that there should be a link between the Advisory Board and any possible high-level panel. While the Board was considered to be a reservoir of disarmament expertise, many members noted the importance of having a highly visible panel that could draw broader international attention to the issue of revitalization of the Conference on Disarmament. One member suggested the appointment of a special envoy by the Secretary-General who could offer more practical solutions and play a more operational role.
28. Another Board member elaborated that there were three different types of panels that could be considered: (a) a panel composed of qualified individuals who would provide a comprehensive report on the issue; (b) a panel that would be composed of political brokers who could operate behind the scenes to produce

greater yields; and (c) a highly visible panel that could draw significant global attention to the issue of revitalizing the Conference.

29. The Board noted that a number of delegations to the Conference on Disarmament were also supportive of the establishment of a high-level panel of eminent persons. Some Board members expressed reservations, however, about the usefulness of the establishment of such a panel and questioned its ability to achieve any positive results. The Board also noted that the establishment of a high-level panel would have financial implications that would have to be clarified before its establishment. Should the Secretary-General consider that approach to be useful, most members agreed that the Board would concur and fully support the establishment of such a panel.

30. Some members also referred to the need to review the membership of the Conference on Disarmament. Members recalled the importance of opening up the Conference by allowing greater participation by civil society, which could both bring in new ideas and contribute to global awareness of the issues.

B. Recommendations

31. **The Board made the following recommendations:**

(a) **The Secretary-General should persist in encouraging the Conference on Disarmament to seek all efforts to achieve a breakthrough to the continuing impasse. The Secretary-General might also wish to consider encouraging progress on a programme of work for the Conference that facilitates work on the four core issues based on the consensus reached in document CD/1864;**

(b) **Should a high-level panel of eminent persons be established, the Secretary-General should ask the panel, as an urgent task, to make recommendations on ways to revitalize the United Nations disarmament machinery as a whole, especially the Conference on Disarmament. The Secretary-General might also consider the need to establish an institutional link between the Advisory Board and the proposed high-level panel by inviting one or more current or former Board members to be part of the proposed panel. Prior consideration should be given to the financial implications of the establishment of such a panel;**

(c) **The Secretary-General should continue to raise public awareness and encourage civil society groups and non-governmental organizations to offer input on ways to overcome the prolonged stalemate at the Conference on Disarmament and move towards the ultimate goal of a world free of nuclear weapons.**

III. Meeting with the Secretary-General

32. The Board met with the Secretary-General on 24 February 2011. Members of the Board took the opportunity to exchange views with the Secretary-General on ways to revitalize the work of the Conference on Disarmament.

IV. Presentations by civil society/ non-governmental organizations

33. As is customary, the Board heard presentations on issues pertaining to its agenda from representatives of non-governmental organizations. At its fifty-fifth session, Robert Zuber, Director of Global Action to Prevent War and the project for a United Nations Emergency Peace Service, and Zia Mian, research scientist at the Program on Science and Global Security at Princeton University's Woodrow Wilson School of Public and International Affairs and the Deputy Co-Chair of the International Panel on Fissile Materials, provided briefings to the Board.

V. Board of Trustees of the United Nations Institute for Disarmament Research

34. At its fifty-fifth session, the Advisory Board, sitting as the Board of Trustees, received a comprehensive briefing from both the Director and the Deputy Director of UNIDIR on the work of the Institute since the previous session of the Board in July 2010 and on its planned activities for 2011. The Board commended the broad range of research activities carried out by the Institute despite continuing difficulties in raising funds. Suggestions were also made by some Board members with regard to possible areas for future research by the Institute. The importance of adequate funding for the Institute was reiterated in order for it to maintain its independence.

35. The Board formally adopted the Institute proposed programme of work and budget for 2011 (see A/65/177), presented at the Board's fifty-fourth session in Geneva in July 2010, taking into account the comments of the Advisory Committee on Administrative and Budgetary Questions contained in its updated report on the proposed programme of work and budget for 2010-2011 (A/64/7/Add.7).

36. The Board also requested that, at a minimum, the current subvention for UNIDIR be continued in the 2012-2013 biennium. At the same time, it reiterated its recommendation of July 2010 (see A/65/177) "that the subvention level be increased (in addition to being cost adjusted) in the biennium 2012-2013, in order to meet the costs of the Director and the core staff of the Institute". In addition, the Board continued to urge the "Secretary-General to use all the influence at his disposal to secure the increase of the subvention in the regular budget of the United Nations for UNIDIR to, at a minimum, fully fund all core staff costs, as a requisite for providing the stability needed to allow the Institute to pursue the structure and programme of work justified by its vision and mission", as mentioned in the report of the Secretary-General on the work of the Advisory Board on Disarmament Matters of 5 August 2010 (A/65/228, para. 52).

37. At the Board's fifty-sixth session, the Director gave a briefing to Board members on: the development of the programme of work of the Institute for 2011 since the Board's session in February; planned activities for 2012 and beyond; and the Institute's proposed programme of work and budget, including a request for a continuing subvention from the United Nations regular budget and its augmentation, if feasible. A subcommittee on UNIDIR, consisting of five Board members, met prior to the regular session, on 28 June, to review the Institute's programme in detail.

38. After considering the draft report of the Director on the Institute's activities from the period from August 2010 to July 2011 and the programme of work and estimated budget for 2011 and 2012, the Board approved the submission of the Institute's report to the General Assembly and also recommended the continuing subvention from the United Nations regular budget for the biennium 2012-2013.

39. Members of the Board commended the work and research activities carried out by the Institute, and a number of members voiced serious concerns over the increasingly precarious funding situation faced by the Institute. The importance of adequate funding to enable the sustainability of the Institute was reiterated by some Board members.

40. The Board also took note of the considerable risk posed by the reduction in the funding for the post of the Deputy-Director of UNIDIR, noting also that the Deputy-Director has greatly contributed to the work of the Institute. Reduced funding would place a heavy burden on the Institution.

VI. Future work

41. The Board exchanged views on a number of possible issues for discussion at its sessions in 2012, including a broad range of issues such as nuclear-weapon-free zones; the Middle East conference in 2012, as envisaged in the Final Document of the 2010 Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons; confidence-building measures related to cyber security; the nuclear security summit in 2012; the arms trade treaty; the implementation of Security Council resolution 1540 (2004); and a reflection of the work of the Advisory Board on Disarmament Matters.

42. Specific topics that were suggested included: (a) follow-up discussions on the issue of the revitalization of the Conference on Disarmament; (b) a review of the arms trade treaty process; and (c) ways to improve the work of the Advisory Board.

Annex

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